

GROW AND PROSPER
SUN LIFE PROSPERITY FUNDS
2012 Annual Report



Life's brighter under the sun

Sun Life Centre, 5th Avenue, Corner Rizal Drive,
Bonifacio Global City, 1634 Taguig City

(632) 849-9888
sunlifefunds.com

CONTENTS

- 4** The Chairman's Message
- 5** The President's Message
- 6** 2012 General Financial Markets Review
- 8** Management Review and Outlook
 - Sun Life of Canada Prosperity Bond Fund, Inc.
 - Sun Life of Canada Prosperity Balanced Fund, Inc.
 - Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
 - Sun Life Prosperity Money Market Fund, Inc.
 - Sun Life Prosperity GS Fund, Inc.
 - Sun Life Prosperity Dollar Advantage Fund, Inc.
 - Sun Life Prosperity Dollar Abundance Fund, Inc.
- 22** Statement of Management's Responsibility
- 23** Auditor's Responsibility
- 24** Financial Statements
 - Statements of Financial Position
 - Statements of Comprehensive Income
 - Statements of Changes in Equity
 - Statements of Cash Flows
- 38** Notes to Financial Statements
- 76** Board of Directors and Officers



The Sun Life Prosperity Funds have complied with leading practices on corporate governance as required by the Securities and Exchange Commission.

THE CHAIRMAN'S MESSAGE

Dear Valued Shareholders,

The year 2012 was undoubtedly a record-breaking year for financial markets. Global Central Banks have injected an unprecedented amount of liquidity in the form of Quantitative Easing (QE) in the U.S. and Outright Monetary Transactions (OMT) in Europe to ensure financial stabilization. With this massive liquidity in the financial markets, benchmark interest rates fell to historic lows and major equity indices were lifted to record highs.

The Philippine financial markets similarly established several milestones for the year. Local interest rates fell to their lowest levels in history with the 3-month treasury bill ending the year at 0.20%. The PSEi, likewise, enjoyed a spectacular return of 33%, making it the best performing market in Asia and second best in the world in dollar terms. The Peso appreciated close to 7% making it the 2nd strongest currency in Asia.

This domestic growth momentum is seen to continue. The stable growth in OFW remittances and BPO revenues underpins the robust macro-economic fundamentals of the Philippines. The low interest rate environment and massive liquidity will continue to support higher asset prices. With the government's focus on infrastructure spending, our country's GDP growth will surely be more sustainable.

As the 2nd largest mutual fund company in the Philippines, Sun Life Asset Management Company, Inc. (SLAMCI) continued to set new milestones in the industry. Full year net sales were up 139.8%. Assets under management ballooned to P28.7 Billion, 33.8% percent higher than the previous year. The Sun Life Prosperity Balanced fund not only remained the largest, but also ended as the best performing balanced fund for the year.

This is definitely a clear testament to your unwavering support and patronage of our products and services, and we are grateful for the trust you have given us through our 12 years in the industry. As we enter a new year, we look forward to strengthening our partnership with you, our valued clients, as we continue to establish new milestones for our company.

Sincerely,



RIZALINA G. MANTARING
Chairman of the Board
Sun Life Prosperity Funds

THE PRESIDENT'S MESSAGE

Dear Valued Shareholders,

In 2012, the strength of the local bourse has indeed made a strong impact on investment activities. More Filipinos have become moderately aggressive in their investment choices, and clearly, confidence in the country's economy and its future has become more pronounced.

For the Sun Life Prosperity Funds, 2012 was one of the best years yet.

The combined Assets under Management (AUM) of the Sun Life Prosperity Funds soared to unprecedented levels reaching P28.7 Billion, the highest thus far achieved since the first set of Sun Life Prosperity Funds – the Bond, Balanced and Equity Funds – were launched in 2000.

The Sun Life Prosperity Balanced Fund retained the highest share amongst the Prosperity Funds with an AUM of P11.9 billion, growing by 38% from 2011. It closed 2012 with a Net Asset Value Per Share (NAVPS) of P3.4129 – a 25.35% increase from the previous year's NAVPS of P2.7228. It also remains to be the largest balanced fund in the mutual fund industry.

A growing interest in the local stock market boosted the AUM of the Sun Life Prosperity Philippine Equity Fund to P8.2 Billion, or 64 % higher than the P5.05 Billion recorded in 2011. Year-on-year, the NAVPS of Equity Fund grew by 32.97% to P3.5721.

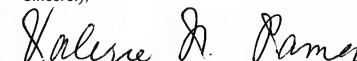
The fixed income and money market funds – Sun Life Prosperity Bond Fund, Sun Life Prosperity GS Fund and Sun Life Prosperity Money Market – grew by 4% and continues to contribute more than 20% to the combined AUM of the Sun Life Prosperity Funds.

Our US Dollar funds likewise posted healthy growth with our Sun Life Prosperity Dollar Abundance Fund soaring to USD 27 Million, more than twice its size the previous year. Our Sun Life Prosperity Dollar Advantage Fund grew by 7% to USD 28 Million, despite a slowdown in the markets into which it invests.

It may also be worth noting that the significant growth of the Sun Life Prosperity Funds was made possible by the continued efforts of its investment company adviser, Sun Life Asset Management Company Inc. (SLAMCI) to expand its distribution channels and ensure that its assets are managed prudently and efficiently. SLAMCI also pursued new initiatives to fuel the growth of the Sun Life Prosperity Funds in 2012, one of which was the successful Invest and Fly, which rewarded new shareholders with flights to Asia, Europe and North America.

2012 was truly a prosperous year for the Sun Life Prosperity Funds. We hope to have an even more prosperous experience as we approach another exciting year ahead.

Sincerely,



VALERIE N. PAMA
President
Sun Life Prosperity Funds

2012 GENERAL FINANCIAL MARKETS REVIEW

The European debt crisis continued to upset broader markets with conditions in Spain and Italy turning worse. Borrowing costs in Spain and Italy have surged to unsustainable levels, as investors sought safe haven in the U.S., Japan and Canada. Meanwhile, the successful ECB liquidity operations along with the Greek debt restructuring averted what could have been a disastrous meltdown in the Eurozone. Near-to-medium term prognosis for Emerging Markets remained cautiously positive, even as China came under greater scrutiny amid fears of an economic hard landing.

Against the backdrop of a sputtering economy, the US Fed rolled out the 3rd round of open-ended quantitative easing (QE3) to ease financial conditions. Further, the US Fed extended its conditional commitment to leave its policy rate at exceptionally-low levels until mid-2015. Future policy action will be dictated by economic conditions, particularly the outlook for the labor market. Accordingly, Moody's warned that the US could lose its coveted AAA credit rating parallel to the earlier S&P downgrade, a prospect that financial markets will ostensibly have to endure.

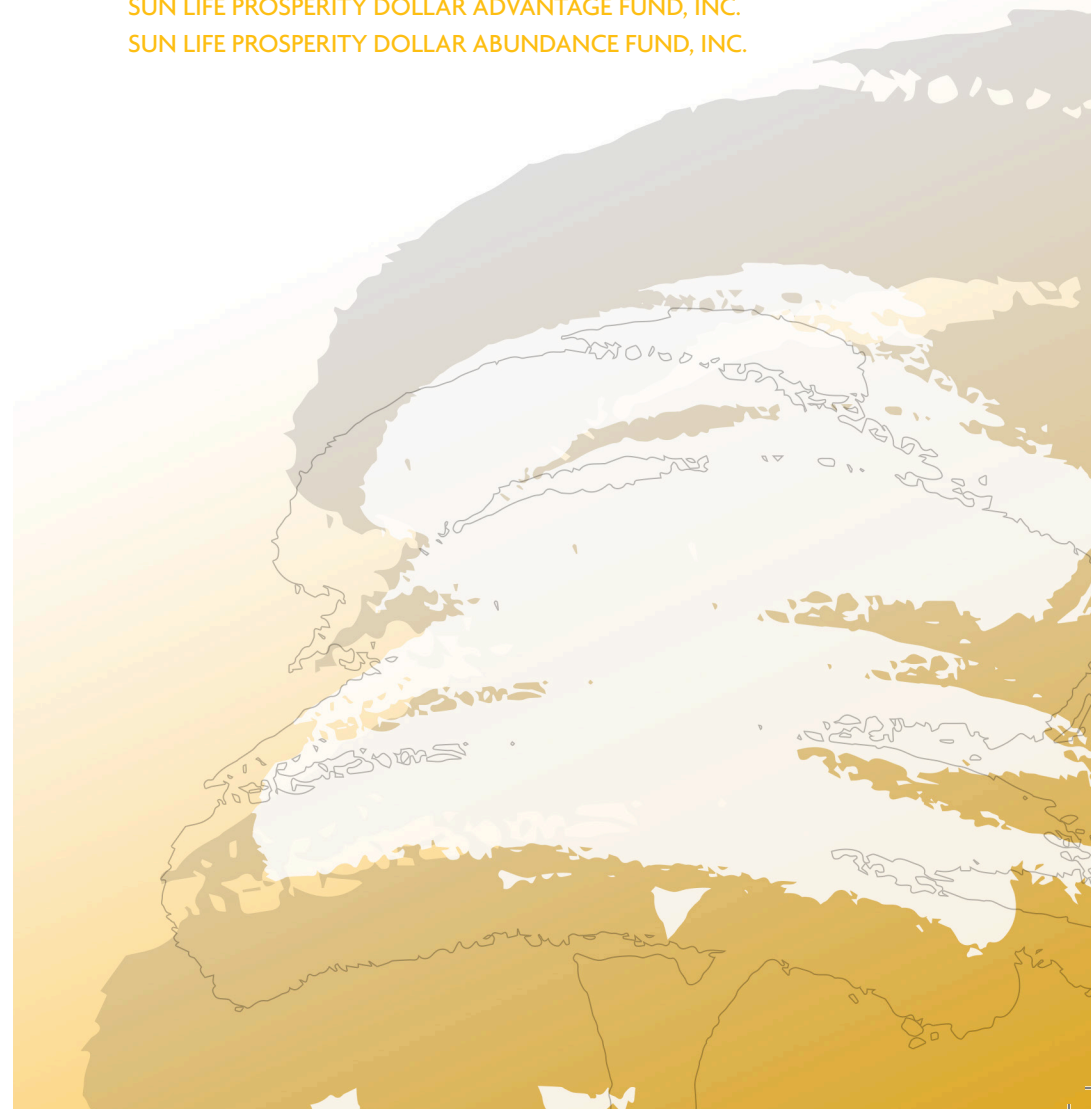
Nonetheless, local bond markets bucked stiff headwinds faced by broader markets and put on a mostly upbeat mood. In 2012, the Bangko Sentral slashed its overnight borrowing rate by a cumulative 100 bps to a record-low 3.5%. Interest rates on term RRP, RPs, and Special Deposit Accounts (SDAs) were likewise reduced accordingly. Peso bond yields fell across the curve on risk-on sentiment with the long end outperforming for the most part and were well supported at tight ranges.

Philippine dollar bonds displayed remarkable resiliency and were generally shored up on dips. Philippine credit default swap spreads closed tighter even as Moody's raised its rating on the Philippine sovereign credit with a one-notch upgrade from Ba2 to Ba1. The new Moody's rating is now at par with Fitch and S&P's ratings of BB+ along with a stable outlook.

Finally, local stocks surged amid expectation of better-than-expected economic growth, low interest rates, respectable corporate profit growth and net foreign buying. By the end of the year, the PSE index was the second best performing Asian market with a full-year return of 32.95%.

SUN LIFE PROSPERITY FUNDS MANAGEMENT REVIEW AND OUTLOOK

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
SUN LIFE PROSPERITY MONEY MARKET FUND, INC.
SUN LIFE PROSPERITY GS FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.



Sun Life of Canada Prosperity Bond Fund, Inc.

INVESTMENT APPROACH

Investment mandate focuses on investing in high yield, investment grade assets with an overall risk profile of less than average. Private lending is restricted to prime corporate issues and collateral is required as practicable. However, based on newly defined liquidity risk parameters, the Fund is passively winding down its loan portfolio as the loans mature. Optimum levels of cash are maintained to support investment and client liquidity requirements.

PERFORMANCE REVIEW

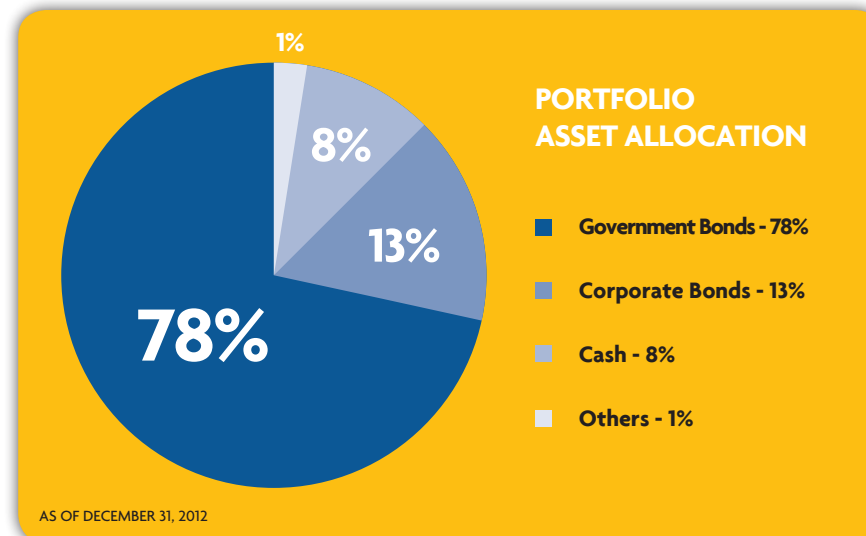
Return on investments (ROI) for the year was 5.91% y-o-y. Further, the Net Asset Value Per Share (NAVPS) rose to Ps2.5452 for the same period.

Remarkably, the significant compression in the peso yield curve was underpinned by the Monetary Board's accommodative monetary stance just as the Bangko Sentral reduced its benchmark overnight borrowing rate by a cumulative 100 bps in 2012 to a record-low 3.5%. Notably, the corresponding rate reductions on Special Deposit Accounts (SDAs) feebly tempered the peso appreciation and barely made a dent on the relentless inflow of hot money into the Philippine financial markets on account of positive carry trade prospects.

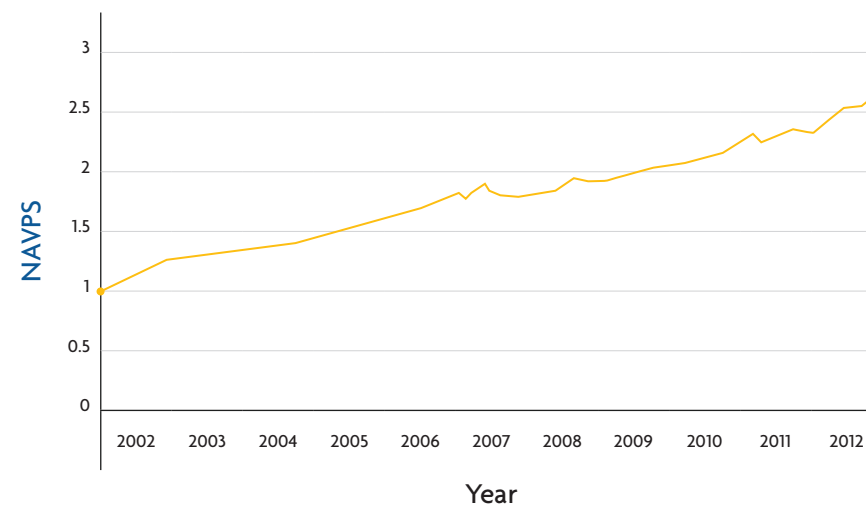
Initially, asset duration was aggressively extended amid the increased odds of calculated rate cuts. However, the Fund had to endure selling pressure in the 2nd half as risk-on sentiment encouraged massive inter-fund transfers between fixed income and equity funds. Due to the new mandate against term lending to private corporations, no loans were disbursed in 2012. Also, the recent increase in the Creditable Withholding Tax (CWT) on interest income from 2-20% effectively eliminated any tax advantage that loans once afforded in the past.

OUTLOOK

The Philippine economy is fortuitously perched in a sweet spot amid the confluence of strong growth momentum, significant gains in fiscal consolidation, resilient currency and subdued inflation. With negligible downside risks to growth, the Bangko Sentral is expected to maintain its monetary policy settings supportive of growth with ample room for more easing as warranted. With regard to the appreciating peso, the Bangko Sentral is open to using other macro prudential tools in lieu of further policy rate cuts. Clearly, the Philippines has a solid groundwork in place to secure the much-coveted investment grade rating in 2013.



HISTORICAL PERFORMANCE



Sun Life of Canada Prosperity Balanced Fund, Inc.

INVESTMENT APPROACH

The Fund entered 2012 on a positive note with 60% invested in equities while the remaining 40% was in fixed income securities and short-term placements. With the market seeing consecutive all-time highs as supported by robust economic growth and a surge in investor confidence, the Fund's equity weight was maintained at its maximum allowable exposure in order to capitalize on emergent opportunities. By the end of the year, the Fund's equity exposure was at 64% while the remaining 36% was in fixed income securities and short-term placements.

PERFORMANCE REVIEW

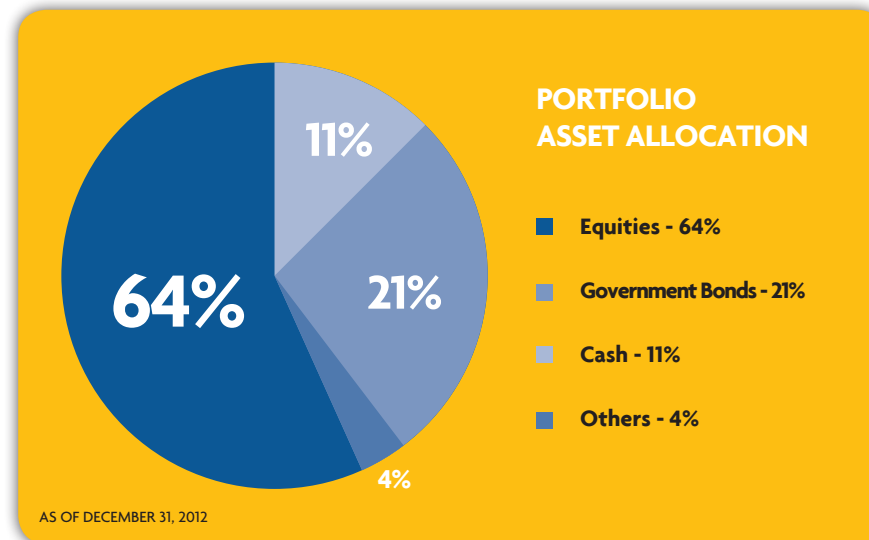
Government bond yields fell to new record lows as investors scrambled to put excess liquidity into work. Benign inflation, solid GDP growth, and improved debt structure attracted investors to buy Philippine securities. Yields of long dated securities fell the most as investors took on interest rate risk. The BSP's move to cut overnight borrowing rate by 100 basis points provided additional boost to the prices of Philippine bonds. The Philippines' prospect of getting an investment grade rating further buoyed investor interest.

On the other hand, the Philippine Stock Exchange Index (PSEi) started the year at 4,397.08 and finished at 5,812.73, up by 32.95%, making it the second best performing bourse in Asia next to Thailand. The local index, which hit 38 all-time highs for the year, remained attractive because of strong macro fundamentals as supported by S&P's upgrade of the Philippine credit rating outlook from stable to positive. Full year GDP stood at 6.5%, way above the government's target of 5-6% growth for 2012. Inflation was benign at 3.2%, at the lower end of the government's target range of 3-5%, as commodity prices remained relatively stable despite slight supply shocks caused by a couple of weather disturbances. The manageable inflation environment gave the Bangko Sentral enough room to cut the policy rates by a total of 100bps to 3.5% for the year in order to spur economic activity. This prompted investors to shift to risk assets for higher yields as fixed-income securities provided low rates. Total net foreign inflow for the year rose to US\$1.95bn, higher by 50% than the previous year. For 2012, the Fund posted a 25.9% y-o-y increase in its NAVPS to PHP3.4129/share.

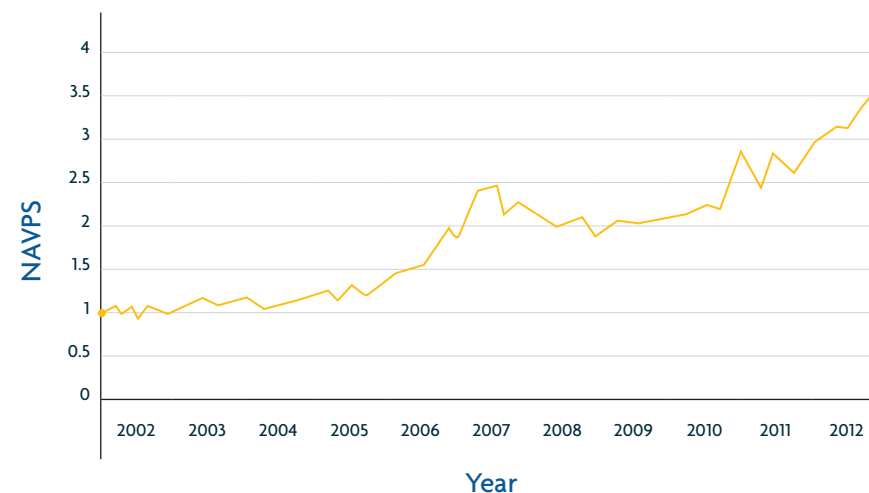
OUTLOOK

Philippine economic fundamentals are expected to continue to improve in 2013. Despite all-time lows, yields may further grind down albeit at a slower and softer pace compared to what was seen in the last few years. Market liquidity and the country's improving credit structure will help support bond prices in the coming year.

After an impressive performance in 2012, the PSEi is now trading above its historical average PE of 15x. Using 2013 projected earnings, local stocks are already trading at 17.4x PE. Although premium valuation should subject the market to bouts of profit taking, we still expect falling bond prices, ample liquidity and improving risk appetite to push the market even higher this year. Potential catalysts include: 2013 GDP growth stays at 6%, aided by a consumption boost arising from the mid-term elections; more Public Private Partnership (PPP) projects being awarded; corporate earnings growth above 15%; and an upgrade of Phils' sovereign credit rating to investment grade. Barring any major negative news from overseas, our PSEi target for 2013 is between 6,500 (base case) to 7,300 (best case). Risks to our forecast include lower-than-expected growth either in GDP or corporate earnings, rapid increases in commodity prices, further delays in PPPs, and capital flows back to developed markets given lofty valuations of local stocks.



HISTORICAL PERFORMANCE



Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

INVESTMENT APPROACH

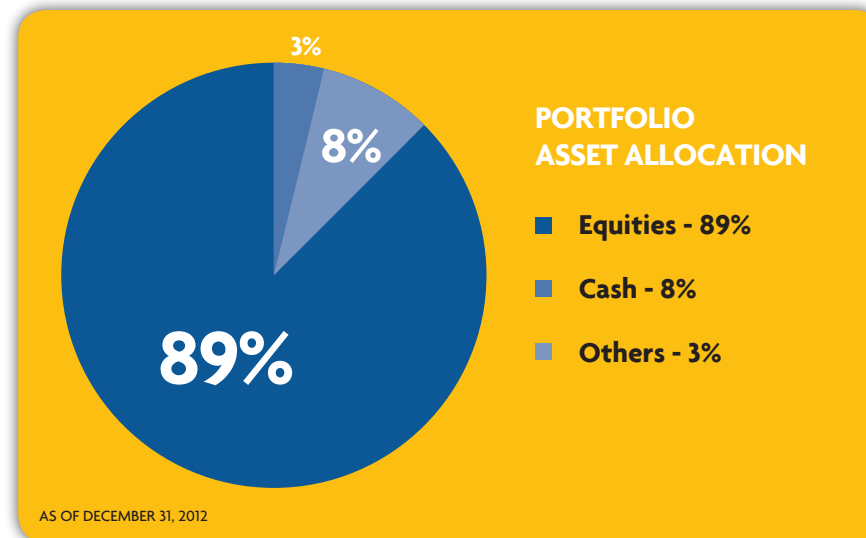
The Fund entered 2012 on a positive note with equity exposure at 85%. However, with the market seeing consecutive all-time highs as supported by robust economic growth and a surge in investor confidence, the Fund's equity weight was increased in order to capitalize on emergent opportunities. By the end of the year the Fund's equity exposure was approximately 89.6%.

PERFORMANCE REVIEW

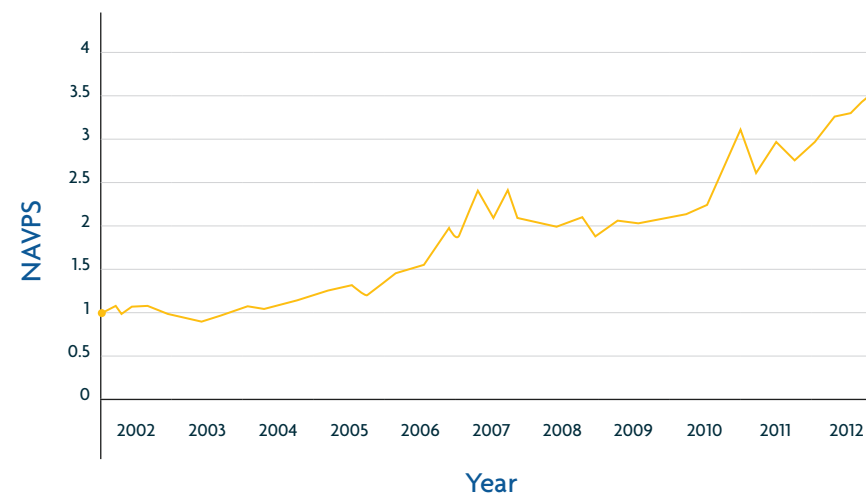
The year 2012 was a record-breaking one for the Philippines. The Philippine Stock Exchange Index (PSEi) started the year at 4,397.08 and finished at 5,812.73, up by 32.95%, making it the second best performing bourse in Asia next to Thailand. The local index, which hit 38 all-time highs for the year, remained attractive because of strong macro fundamentals as supported by S&P's upgrade of the Philippine credit rating outlook from stable to positive. Full year GDP stood at 6.6%, way above the government's target of 5-6% growth for 2012. Inflation was benign at 3.2%, at the lower end of the government's target range of 3-5%, as commodity prices remained relatively stable despite slight supply shocks caused by a couple of weather disturbances. The manageable inflation environment gave the Bangko Sentral enough room to cut the policy rates by a total of 100bps to 3.5% for the year in order to spur economic activity. This prompted investors to shift to risk assets for higher yields as fixed-income securities provided low rates. Total net foreign inflow for the year rose to US\$1.95bn, higher by 50% than the previous year. In the end, the Fund posted a 33.6% y-o-y increase in its NAVPS to PHP3.5724/share.

OUTLOOK

After an impressive performance in 2012, the PSEi is now trading above its historical average PE of 15x. Using 2013 projected earnings, local stocks are already trading at 17.4x PE. Although premium valuation should subject the market to bouts of profit taking, we still expect falling bond prices, ample liquidity and improving risk appetite to push the market even higher this year. Potential catalysts include: 2013 GDP growth stays at 6%, aided by a consumption boost arising from the mid-term elections; more Public Private Partnership (PPP) projects being awarded, corporate earnings growth above 15%; and an upgrade of Phils' sovereign credit rating to investment grade. Barring any major negative news from overseas, our PSEi target for 2013 is between 6,500 (base case) to 7,300 (best case). Risks to our forecast include lower-than-expected growth either in GDP or corporate earnings, rapid increases in commodity prices, further delays in PPPs, and capital flows back to developed markets given lofty valuations of local stocks.



HISTORICAL PERFORMANCE



Sun Life Prosperity Money Market Fund, Inc.

INVESTMENT APPROACH

Investment mandate focuses on investing in high yield, investment grade assets with an overall risk profile of less than average. Private lending is restricted to prime corporate issues and collateral is required as practicable. Optimum levels of cash are maintained to support investment and client liquidity requirements.

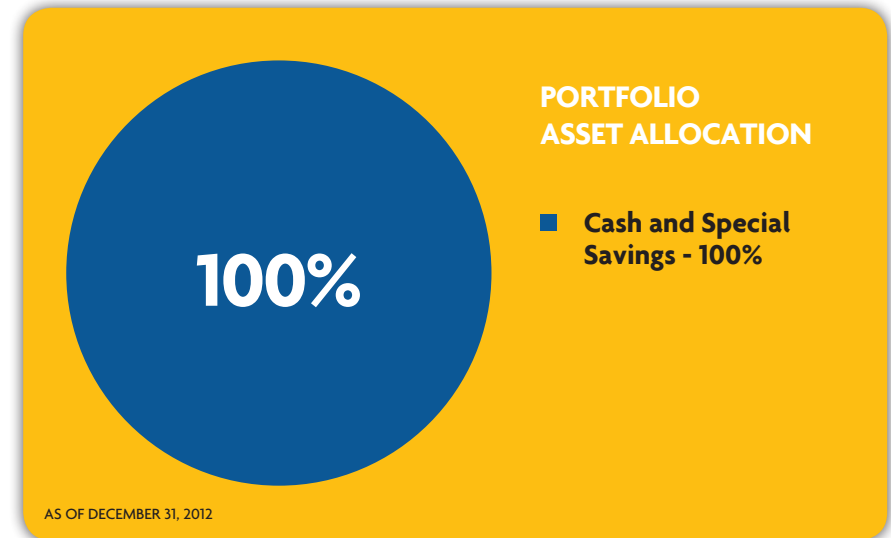
PERFORMANCE REVIEW

Return on investment (ROI) for the year was 0.35% y-o-y while the NAVPS closed at Ps1.1308

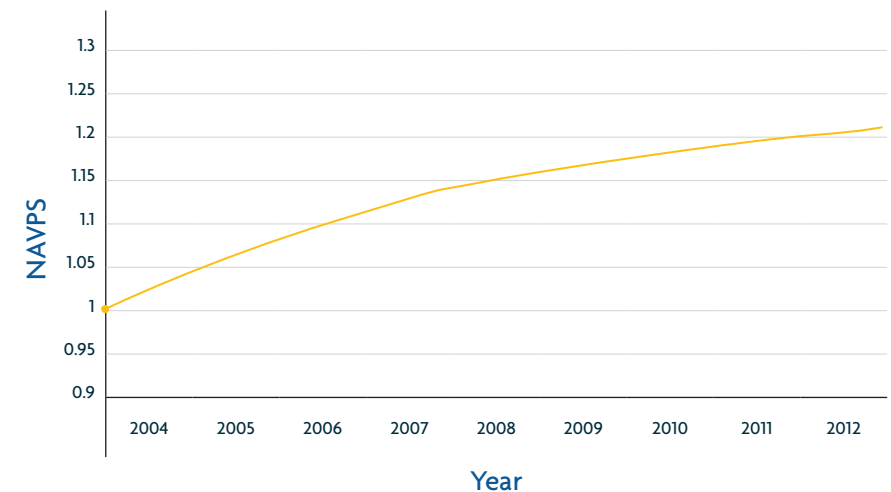
Bank deposit rates remained at record-low levels as market liquidity remained high as ever. In 2012, the Bangko Sentral reduced its benchmark overnight borrowing rate by a cumulative 100 bps in 2012 to a record-low 3.5%. Notably, the corresponding rate reductions on Special Deposit Accounts (SDAs) feebly tempered the peso appreciation and barely made a dent on the relentless inflow of hot money into the Philippine financial markets on account of positive carry trade prospects. SDAs rose to Ps1.85 trillion from Ps1.66 trillion in 2011 amid sustained sterilization of robust OFW dollar remittances by the Bangko Sentral.

OUTLOOK

The Philippine economy is fortuitously perched in a sweet spot amid the confluence of strong growth momentum, significant gains in fiscal consolidation, resilient currency and subdued inflation. With negligible downside risks to growth, the Bangko Sentral is expected to maintain its monetary policy settings supportive of growth with ample room for more easing as warranted. With regard to the appreciating peso, the Bangko Sentral is open to using other macro prudential tools in lieu of further policy rate cuts. Clearly, the Philippines has a solid groundwork in place to secure the much-coveted investment grade rating in 2013.



HISTORICAL PERFORMANCE



Sun Life Prosperity GS Fund, Inc.

INVESTMENT APPROACH

Investment mandate focuses on investing exclusively in risk-free government securities. Optimum levels of cash are maintained to support investment and client liquidity requirements.

PERFORMANCE REVIEW

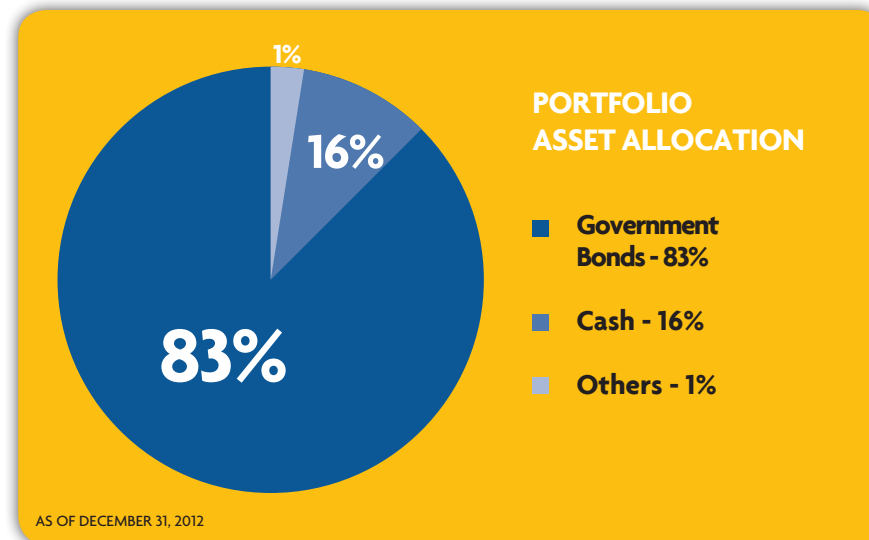
Return on investments (ROI) for the year was 6.44% y-o-y. Moreover, the NAVPS closed at Ps1.4843 at yearend.

Remarkably, the significant compression in the peso yield curve was underpinned by the Monetary Board's accommodative monetary stance just as the Bangko Sentral reduced its benchmark overnight borrowing rate by a cumulative 100 bps in 2012 to a record-low 3.5%. Notably, the corresponding rate reductions on Special Deposit Accounts (SDAs) feebly tempered the peso appreciation and barely made a dent on the relentless inflow of hot money into the Philippine financial markets on account of positive carry trade prospects.

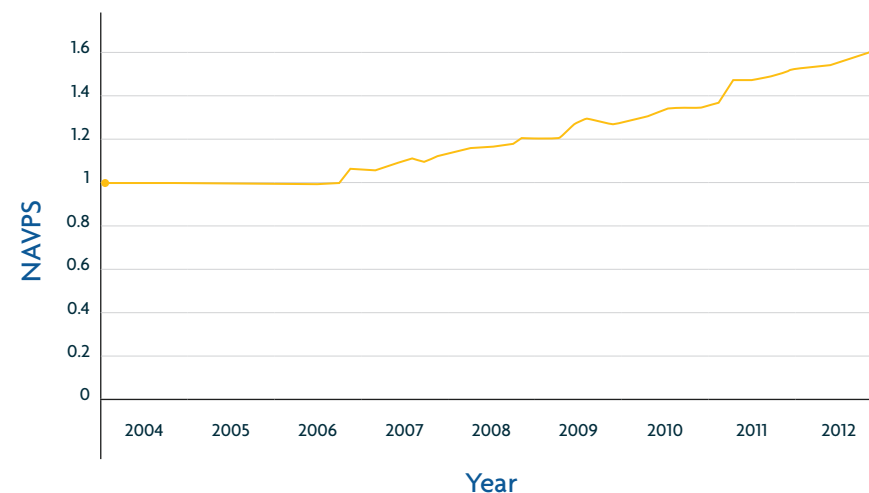
Initially, asset duration was aggressively extended amid the increased odds of calculated rate cuts. However, the GS Fund was likewise subjected to selling pressure in the 2nd half as risk-on sentiment encouraged massive inter-fund transfers between fixed income and equity funds.

OUTLOOK

The Philippine economy is fortuitously perched in a sweet spot amid the confluence of strong growth momentum, significant gains in fiscal consolidation, resilient currency and subdued inflation. With negligible downside risks to growth, the Bangko Sentral is expected to maintain its monetary policy settings supportive of growth with ample room for more easing as warranted. With regard to the appreciating peso, the Bangko Sentral is open to using other macro prudential tools in lieu of further policy rate cuts. Clearly, the Philippines has a solid groundwork in place to secure the much-coveted investment grade rating in 2013.



HISTORICAL PERFORMANCE



AS OF DECEMBER 31, 2012

Sun Life Prosperity Dollar Advantage Fund, Inc.

INVESTMENT APPROACH

Investment mandate is to invest in foreign denominated fixed income and equity investments issued by the Philippine government, United States and other foreign governments and corporations. These may include US denominated deposits, common stocks, shares of mutual funds, and related securities such as preferred stock and convertible securities issued by the Philippine government, US and other foreign governments or corporations. The Fund's investments may either be purchased directly or through one or more securities issued by diversified investment companies invested in such type of securities. The strategy remains view-driven and all bond holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets. For mutual funds managed by foreign fund managers, the Funds to be invested in should be 5-star Morningstar rated. As of end 2012, investment in foreign funds was increased to 65%, from 37% as of end-2011. On the other hand, ROPs or dollar denominated bonds issued by the Philippine government were reduced from 31% as of end 2011 to 24% as of end-2012.

PERFORMANCE REVIEW

Global equities ended on a high note amid optimism that the US will avert the so-called fiscal cliff. At the eleventh hour, an interim budget deal was forged that effectively deferred the budget cuts for two months. The pact was deemed crucial as it moved back the US from the brink of recession. The agreement essentially avoided sharp tax hikes and massive spending cuts. Among the salient points of the deal included an extension of unemployment benefits to millions of jobless Americans, maintained the large array of tax breaks for middle-class families, and imposed a higher tax rate for top-tier income earners. Markets breathed a sigh of relief amid renewed optimism that the Democrat-controlled Senate and Congressional Republicans will be able reach a broader agreement including concerns on the country's debt ceiling.

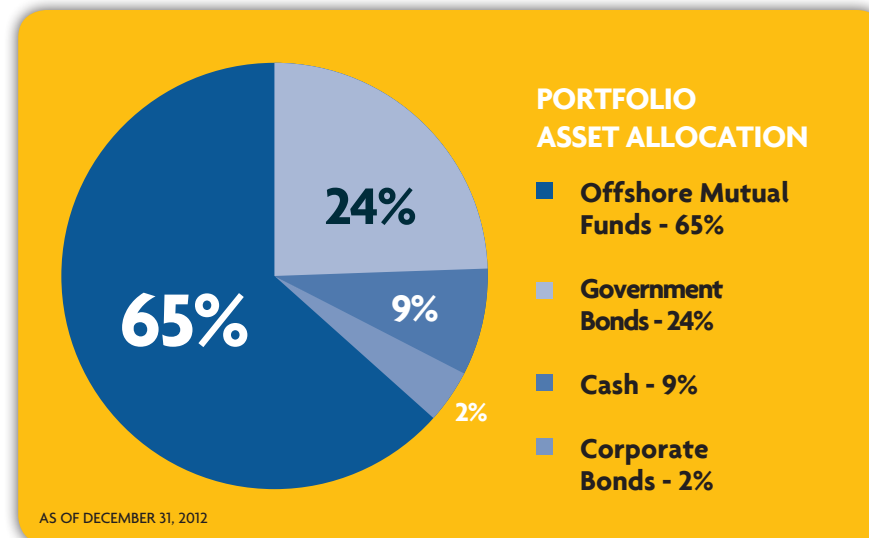
ROPs took its cue from developments in broader markets and succumbed to selling pressure towards the yearend in reaction to the deadlock in US fiscal cliff negotiations. However, onshore investors provided some buying support with rotational trading mostly in the long end of the curve.

International credit rating agency Standard & Poor's (S&P) raised the Philippine credit rating outlook from neutral to positive. The improved outlook augurs well for the country's prospects for an investment-grade credit rating in 2013. S&P cited the favorable political backdrop under the Aquino administration that would enable it to firm up gains in fiscal consolidation, expand infrastructure spending and step up poverty alleviation initiatives.

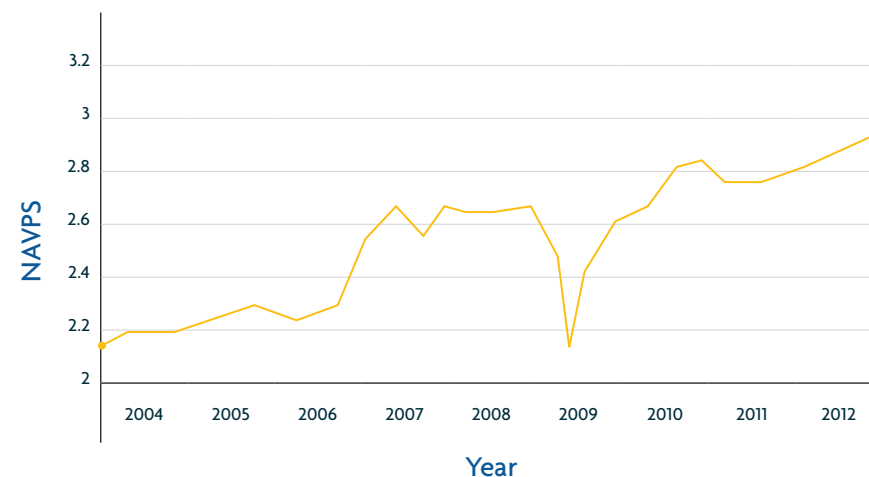
For 2012, the Fund posted an 8.5% y-o-y increase in its NAVPS to USD2.8823/share.

OUTLOOK

After a strong performance in 2012, global stocks should sustain its upward momentum as record low interest rates augur well for risk assets. Risk on sentiment should continue as global Central Banks continue to support asset prices and keep financial markets awash with liquidity. Aggressive central bank policy action has diminished systemic risks mainly from the possible break-up of the Eurozone and a Chinese economic hard landing. The US fiscal cliff presents another major systemic risk with far-reaching repercussions on global economic growth and stability of financial markets. However, markets expect that the likely compromise in the coming months would be another "kicking the can further down the road" with no comprehensive and sustainable fiscal consolidation plan.



HISTORICAL PERFORMANCE



Sun Life Prosperity Dollar Abundance Fund, Inc.

INVESTMENT APPROACH

Investment strategy remains view-driven and all bond holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets. Portfolio duration was aggressively extended on account of generally bullish prospects.

PERFORMANCE REVIEW

Return on investments (ROI) for the year was 10.63% y-o-y. Further, the NAVPS rose to US\$2.9610 the same period.

Markets turned into a defensive mode over the political impasse on the US fiscal cliff negotiations. International credit ratings agency Fitch warned that the US could lose its coveted AAA rating as "failure to avoid the fiscal cliff would exacerbate rather than diminish the uncertainty over fiscal policy, and tip the US into an avoidable and unnecessary recession".

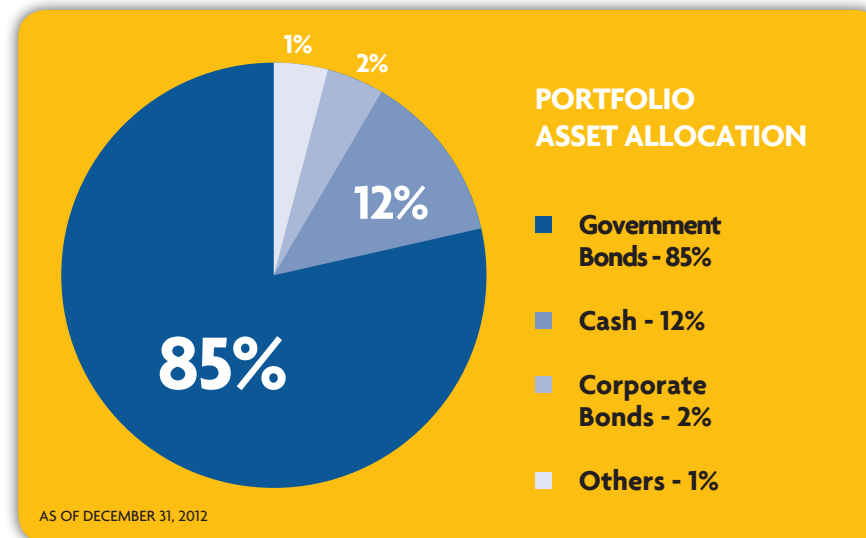
ROPs took its cue from developments in broader markets and succumbed to selling pressure towards the yearend in reaction to the deadlock in US fiscal cliff negotiations. Overall, Philippine cash bonds displayed respectable price resiliency just as onshore investors provided buying support mostly in the long end of the curve.

OUTLOOK

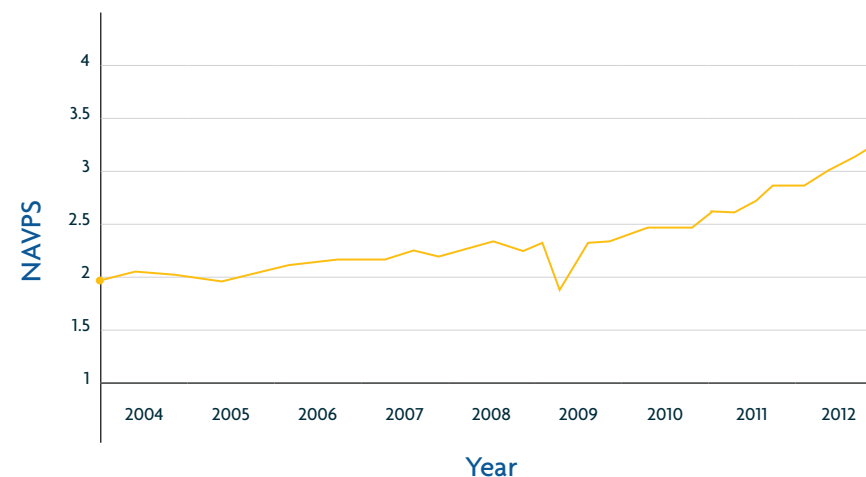
Heightened optimism over a compromise deal on the US fiscal cliff along with some progress in the Eurozone debt crisis could set off risk-on sentiment. Global financial markets are awash with liquidity and should augur well particularly for Emerging Asia. With the US Fed maintaining rates at near zero, the European Central Bank pumping ample liquidity to the banking system and the Bank of Japan expanding its asset purchase program, excess liquidity is expected to flow into risky assets once again.

Aggressive central bank policy action should continue to curb systemic risks mainly from the possible break-up of the Eurozone and a Chinese economic hard landing. Admittedly, the US fiscal cliff presents another major systemic risk with far-reaching repercussions on global economic growth and stability of financial markets. However, markets expect that a working compromise can be forged in early 2013 albeit without any comprehensive and sustainable fiscal consolidation plan.

The Philippine economy is fortuitously perched in a sweet spot amid the confluence of strong growth momentum, significant gains in fiscal consolidation, resilient currency and subdued inflation. Clearly, the Philippines has a solid groundwork in place to secure the much-coveted investment grade rating in 2013.



HISTORICAL PERFORMANCE



Statement of Management's Responsibility

The Boards of Directors and Shareholders

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
SUN LIFE PROSPERITY MONEY MARKET FUND, INC.
SUN LIFE PROSPERITY GS FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
(Open-End Investment Companies)

The management of the Sun Life Prosperity Funds is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2012, 2011 and 2010, including the additional components attached therein in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submit the same to the stockholders or members.

Navarro Amper & Co., the independent auditors, appointed by the stockholders have examined the financial statements of the Sun Life Prosperity Funds in accordance with Philippine Standards on Auditing, and in their report to the stockholders or members, have expressed their opinion on the fairness of the presentation upon completion of such examination.



Rizalina G. Mantaring
Chairman of the Board



Ma. Karenina M. Casas
President



Joan P. Galang
Treasurer

The Boards of Directors and Shareholders

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.
SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.
SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
SUN LIFE PROSPERITY MONEY MARKET FUND, INC.
SUN LIFE PROSPERITY GS FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
(Open-End Investment Companies)

Navarro Amper & Co.
19th Floor, Net Lima Plaza,
5th Avenue, corner 26th Street,
Bonifacio Global City, Taguig 1634
Philippines

Tel: +63 2 581 9000
Fax: +63 2 869 3676
www.deloitte.com.ph

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Sun Life Prosperity Funds as of December 31, 2012 and 2011, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2012 in accordance with Philippine Financial Reporting Standards.



Francis B. Albalate
Partner
CPA License No. 0088499

PTR No. A-1724350
January 7, 2013
Taguig City

Sun Life Prosperity Funds

(Open-end Investment Companies)

STATEMENTS OF FINANCIAL POSITION

STATEMENTS OF FINANCIAL POSITION	BOND		BALANCED		PHILIPPINE EQUITY	
	December 31		December 31		December 31	
	2012	2011	2012	2011	2012	2011
	PHP	PHP	PHP	PHP	PHP	PHP
ASSETS						
Current Assets						
Cash in banks	P48,944,376	P41,144,224	P63,844,583	P53,762,111	P177,533,057	P42,100,386
Accrued interest receivable	68,965,984	60,836,267	36,307,218	38,496,284	85,772	123,026
Dividends receivable	-	-	755,260	4,099,390	981,108	4,082,584
Financial assets at fair value through profit or loss	4,476,637,311	3,991,532,165	11,587,368,865	8,570,169,872	7,947,077,276	5,021,464,907
Held-to-maturity investments	-	-	-	-	-	-
Due from brokers	-	-	371,155,791	P7,831,430	205,372,226	9,464,634
Other current assets	1,259,597	152,625	495,644.00	360,239	-	-
Total Current Assets	4,595,807,268	4,093,665,281	12,059,927,361	8,674,719,326	8,331,049,439	5,077,235,537
Non-current Assets						
Loans receivables	675,450,000	680,000,000	-	50,000,000	-	-
Other non-current assets	-	1,396,932	-	845,558	-	261,783
Total Non-current Assets	675,450,000	681,396,932	-	50,845,558	-	261,783
Total Assets	P5,271,257,268	P4,775,062,213	P12,059,927,361	P8,725,564,884	P8,331,049,439	P5,077,497,320
LIABILITIES AND EQUITY						
Current Liabilities						
Accrued expenses	P1,257,750	P1,407,093	P92,426,177	P30,428,024	P2,014,807	P1,073,408
Due to brokers	-	-	-	-	55,291,176	21,440,835
Income tax payable	-	-	-	-	-	1,921
Payable to fund manager	12,591,929	8,127,803	28,881,077	P24,807,653	19,988,566	10,016,976
Total Current Liabilities	13,849,679	9,534,896	121,307,254	55,235,677	77,294,549	32,533,140
Equity						
Share capital	3,730,399,542	3,730,399,542	34,981,357	P33,119,653	12,000,000	12,000,000
Deposit for future stock subscriptions	-	-	-	-	3,967,392,865	1,496,280,230
Additional paid in capital	2,376,812,358	1,900,130,005	7,208,009,160	P6,546,907,250	1,138,486,373	2,096,529,094
Retained earnings	3,039,428,243	2,752,934,910	4,695,629,590	P2,430,860,357	3,135,919,407	1,442,698,088
Treasury shares	(3,889,232,554)	(3,617,937,140)	-	(P340,558,053)	(43,755)	(2,543,232)
Total Equity	5,257,407,589	4,765,527,317	11,938,620,107	8,670,329,207	8,253,754,890	5,044,964,180
Total Liabilities and Equity	P5,271,257,268	P4,775,062,213	P12,059,927,361	P8,725,564,884	P8,331,049,439	P5,077,497,320
NET ASSETS VALUE PER SHARE	P2.5450	P2.4081	P3.4129	P2.7223	P3.5721	P2.6863

MONEY MARKET		GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
December 31		December 31		December 31		December 31	
2012	2011	2012	2011	2012	2011	2012	2011
PHP	PHP	PHP	PHP	USD	USD	USD	USD
P11,061,619	P24,544,137	P14,584,584	P21,291,658	\$588,555	\$277,150	\$814,522	\$223,345
49,450	3,504,769	6,150,043	8,307,853	147,965	219,149	405,209	222,998
-	-	-	-	-	-	-	-
283,020,000	354,150,000	633,773,113	656,732,037	28,309,517	26,568,971	25,919,061	12,981,127
-	143,064,360	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	20,000	-	-	-	-
294,131,069	525,263,266	654,507,740	686,351,548	29,046,037	27,065,270	27,138,792	13,427,470
-	-	-	-	-	-	-	-
-	698	-	-	-	-	-	-
-	698	-	-	-	-	-	-
P294,131,069	P525,263,964	P654,507,740	P686,351,548	\$29,046,037	\$27,065,270	\$27,138,792	\$13,427,470
P654,355	P801,764	P146,292	P263,393	\$60,660	\$61,013	\$8,372	\$5,973
-	-	-	-	-	-	-	-
276	276	-	-	2,684	5,953	44,235	24,497
297,833	786,988	1,021,893	1,294,281	46,934	34,156	38,539	8,756
952,464	1,589,028	1,168,185	1,557,674	110,278	101,122	91,146	39,226
1,000,000	1,000,000	2,000,000	2,000,000	124,000	124,000	40,000	40,000
180,650,930	389,707,799	356,580,070	364,994,543	12,313,843	10,356,424	21,120,888	7,584,670
103,930,143	126,766,775	167,303,627	233,599,255	13,575,707	14,757,806	2,662,208	4,320,680
7,812,560	6,208,484	127,614,646	84,418,116	4,152,176	1,827,164	3,229,829	1,443,787
(215,028)	(8,122)	(158,788)	(218,040)	(1,229,967)	(101,246)	(5,279)	(893)
293,178,605	523,674,936	653,339,555	684,793,874	28,935,759	26,964,148	27,047,646	13,388,244
P294,131,069	P525,263,964	P654,507,740	P686,351,548	\$29,046,037	\$27,065,270	\$27,138,792	\$13,427,470
P1.1296	P1.1268	P1.4848	P1.4002	\$2.8819	\$2.6513	\$2.9625	\$2.6747

Sun Life Prosperity Funds

(Open-end Investment Companies)

STATEMENTS OF COMPREHENSIVE INCOME

STATEMENTS OF COMPREHENSIVE INCOME	BOND			BALANCED			PHILIPPINE EQUITY		
	For the Years Ended December 31			For the Years Ended December 31			For the Years Ended December 31		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP
REVENUES									
Interest income	P302,556,101	P227,870,550	P215,000,555	P163,888,176	P78,896,589	P102,396,302	P12,465,171	P13,387,379	P10,031,963
Net realized gains on investments	21,273,673	3,429,104	29,161,336	1,208,129,289	940,406,285	803,083,182	957,344,220	626,237,902	529,728,592
Dividend income	-	-	-	145,227,930	192,157,812	186,975,531	110,411,781	121,689,213	89,604,842
Other income	-	-	5,053,540	156,025	19,435,893	6,467,773	-	11,327,791	1,761,378
Total	323,829,774	231,299,654	249,215,431	1,517,401,420	1,230,896,579	1,098,922,788	1,080,221,172	772,642,285	631,126,775
OPERATING EXPENSES									
Management fees	97,945,771	69,924,224	52,782,376	244,661,903	207,021,930	185,318,728	141,862,592	123,003,411	86,648,990
Taxes and licenses	3,924,260	5,041,771	2,282,757	369,073	2,329,084	3,554,895	207,271	1,411,970	6,498,936
Professional fees	249,267	250,577	243,573	172,390	609,344	213,133	100,173	103,698	141,961
Custodianship fees	453,360	298,158	229,411	1,902,065	1,606,741	893,584	1,364,141	1,140,493	806,013
Directors fees	190,250	224,000	140,000	308,750	367,500	240,000	310,000	387,500	240,000
Printing and supplies	56,477	48,973	50,513	56,477	69,330	189,758	65,286	59,152	140,450
Other expenses	176,377	-	8,756	-	-	-	155,315	499,437	397
Total	102,995,762	75,787,703	55,737,386	247,470,658	212,003,929	190,410,098	144,064,778	126,605,661	94,476,747
Profit (Loss) Before Unrealized Gains on Investments	220,834,012	155,511,951	193,478,045	1,269,930,762	1,018,892,650	908,512,690	936,156,394	646,036,624	536,650,028
Net Unrealized Gains on Investments	128,024,368	230,919,343	73,118,190	1,029,903,701	(681,342,724)	1,254,259,438	759,816,448	(481,468,071)	718,366,540
Profit Before Tax	348,858,380	386,431,294	266,596,235	2,299,834,463	337,549,926	2,162,772,128	1,695,972,842	164,568,553	1,255,016,568
Income Tax Expense	62,365,047	45,989,363	43,276,964	35,065,230	15,968,840	22,151,708	2,751,523	2,675,796	2,000,692
Profit (Loss) for the Year	P286,493,333	P340,441,931	P223,319,271	P2,264,769,233	P321,581,086	P2,140,620,420	P1,693,221,319	P161,892,757	P1,253,015,876
Basic Earnings per Share	P0.13	P0.20	P0.16	P0.69	P0.10	P0.61	P1.41	P0.13	P3.42
Diluted Earnings per Share	-	-	-	-	-	-	P0.90	P0.08	P0.73

STATEMENTS OF COMPREHENSIVE INCOME	MONEY MARKET			GS			DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	For the Years Ended December 31			For the Years Ended December 31			For the Years Ended December 31			For the Years Ended December 31		
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP	USD	USD	USD	USD	USD	USD
REVENUES												
Interest income	P9,697,790	P10,838,061	P8,706,946	P36,897,982	P37,559,106	P20,323,754	\$384,428	\$539,612	\$743,208	\$720,463	\$521,671	\$328,450
Net realized gains on investments	-	-	-	16,564,243	5,338,320	-	386,276	193,019	295,407	-	-	-
Dividend income	-	-	-	-	-	-	-	-	-	-	-	-
Other income	-	13,780	9,712	-	-	-	545	10,739	-	36	-	-
Total	9,697,790	10,851,841	8,716,658	53,462,225	42,897,426	20,323,754	771,249	743,370	1,038,615	720,499	521,671	328,450
OPERATING EXPENSES												
Management fees	5,341,831	5,452,893	3,711,649	12,961,507	13,214,892	6,475,578	514,797	466,915	347,561	354,252	227,946	132,868
Taxes and licenses	349,826	116,475	90,592	36,299	114,112	73,557	5,513	3,680	1,759	1,549	1,984	1,415
Professional fees	75,712	78,576	157,779	71,052	73,306	97,727	2,462	2,425	2,534	2,033	1,730	3,587
Custodianship fees	4,907	12,890	900	49,712	56,762	30,580	1,117	1,548	4,344	2,340	1,535	1,088
Directors fees	190,250	154,000	140,000	191,501	244,000	160,000	4,665	5,754	3,650	4,653	5,712	3,650
Printing and supplies	81,677	48,973	40,957	104,357	49,483	36,562	2,721	1,132	724	2,723	1,144	362
Other expenses	-	-	-	-	-	2,030	-	-	3,809	1,807	1,471	1,510
Total	6,044,203	5,863,807	4,141,877	13,414,428	13,752,555	6,876,034	531,275	481,454	364,381	369,357	241,522	144,480
Profit (Loss) Before Unrealized Gains on Investments	3,653,587	4,988,034	4,574,781	40,047,797	29,144,871	13,447,720	239,974	261,916	674,234	351,142	280,149	183,970
Net Unrealized Gains on Investments	-	-	-	12,222,502	13,713,179	30,824,766	2,093,949	(590,953)	287,251	1,570,888	522,420	209,984
Profit Before Tax	3,653,587	4,988,034	4,574,781	52,270,299	42,858,050	44,272,486	2,333,923	(329,037)	961,485	1,922,030	802,569	393,954
Income Tax Expense	2,049,511	3,047,479	1,738,328	9,073,769	9,642,006	5,029,516	8,911	38,900	110,603	135,988	95,233	65,735
Profit (Loss) for the Year	P1,604,076	P1,940,555	P2,836,453	P43,196,530	P33,216,044	P39,242,970	\$2,325,012	\$(367,937)	\$850,882	\$1,786,042	\$707,336	\$328,219
Basic Earnings per Share	P0.016	P0.019	P0.028	P0.22	P0.17	P0.21	\$0.38	\$(0.06)	\$0.14	\$0.90	\$0.35	\$0.16
Diluted Earnings per Share	P0.004	P0.004	P0.009	P0.09	P0.06	P0.13	\$0.23	\$(0.04)	\$0.12	\$0.26	\$0.15	\$0.11

Sun Life Prosperity Funds

(Open-end Investment Companies)

STATEMENTS OF CHANGES IN EQUITY

BOND FUND	For the Years Ended December 31					
	Share Capital	Deposit for future stock subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2010	P3,730,399,542	-	P1,388,237,305	P2,189,173,708	(P4,528,986,113)	P2,778,824,442
Profit for the year	-	-	-	223,319,271	-	223,319,271
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	137,929,854	-	900,825,838	1,038,755,692
• Acquisition of treasury shares during the year	-	-	-	-	(750,147,040)	(750,147,040)
Total Transactions with owners	-	-	137,929,854	-	150,678,798	288,608,652
Balance, December 31, 2010	3,730,399,542	-	1,526,167,159	2,412,492,979	(4,378,307,315)	3,290,752,365
Profit for the year	-	-	-	340,441,931	-	340,441,931
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	373,962,846	-	1,703,755,702	2,077,718,548
• Acquisition of treasury shares during the year	-	-	-	-	(943,385,527)	(943,385,527)
Total Transactions with owners	-	-	373,962,846	-	760,370,175	1,134,333,021
Balance, December 31, 2011	3,730,399,542	-	1,900,130,005	2,752,934,910	(3,617,937,140)	4,765,527,317
Profit for the year	-	-	-	286,493,333	-	286,493,333
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	476,682,353	-	1,963,943,259	2,440,625,612
• Acquisition of treasury shares during the year	-	-	-	-	(2,235,238,673)	(2,235,238,673)
Total Transactions with owners	-	-	476,682,353	-	(271,295,414)	205,386,939
Balance, December 31, 2012	P3,730,399,542	-	P2,376,812,358	P3,039,428,243	(P3,889,232,554)	P5,257,407,589

BALANCED FUND	For the Years Ended December 31					
	Share Capital	Deposit for future stock subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2010	P2,000,000	P6,976,705,988	P683,215,598	(P31,341,149)	(P2,751)	P7,630,577,686
Profit for the year	-	-	-	2,140,620,420	-	2,140,620,420
Transactions with owners:						
• Reissuance of treasury shares during the year	31,119,653	-	5,885,077,736	-	2,793,005,917	8,709,203,306
• Acquisition of treasury shares during the year	-	-	-	-	(2,974,863,631)	(2,974,863,631)
• Redemption of deposits for future stock subscriptions	-	(6,976,705,988)	-	-	-	(6,976,705,988)
Total Transactions with owners	31,119,653	(6,976,705,988)	5,885,077,736	-	(181,857,714)	(1,242,366,313)
Balance, December 31, 2010	33,119,653	-	6,568,293,334	2,109,279,271	(181,860,465)	8,528,831,793
Profit for the year	-	-	-	321,581,086	-	321,581,086
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	(21,386,084)	-	2,662,119,216	2,640,733,132
• Acquisition of treasury shares during the year	-	-	-	-	(2,820,816,804)	(2,820,816,804)
Total Transactions with owners	-	-	(21,386,084)	-	(158,697,588)	(180,083,672)
Balance, December 31, 2011	33,119,653	-	6,546,907,250	2,430,860,357	(340,558,053)	8,670,329,207
Profit for the year	-	-	-	2,264,769,233	-	2,264,769,233
Transactions with owners:						
• Reissuance of treasury shares during the year	1,861,704	-	661,101,910	-	2,870,748,770	3,533,712,384
• Acquisition of treasury shares during the year	-	-	-	-	(2,530,190,717)	(2,530,190,717)
Total Transactions with owners	1,861,704	-	661,101,910	-	340,558,053	1,003,521,667
Balance, December 31, 2012	P34,981,357	-	P7,208,009,160	P4,695,629,590	-	P11,938,620,107

Sun Life Prosperity Funds

(Open-end Investment Companies)

STATEMENTS OF CHANGES IN EQUITY

PHILIPPINE EQUITY FUND	For the Years Ended December 31					
	Share Capital	Deposit for future stock subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2010	P2,000,000	P2,560,902,206	P458,368,292	P27,789,455	(P516)	P3,049,059,437
Profit for the year	-	-	-	1,253,015,876	-	1,253,015,876
Transactions with owners:						
• Acquisition of treasury shares during the year	-	-	-	-	(2,957,668,419)	(2,957,668,419)
• Reissuance of treasury shares during the year	10,000,000	-	1,394,540,502	-	2,957,340,646	4,361,881,148
• Redemption of deposits for future stock subscriptions	-	(840,760,801)	-	-	-	(840,760,801)
Total Transactions with owners	10,000,000	(840,760,801)	1,394,540,502	-	(327,773)	563,451,928
Balance, December 31, 2010	12,000,000	1,720,141,405	1,852,908,794	1,280,805,331	(328,289)	4,865,527,241
Profit for the year	-	-	-	161,892,757	-	161,892,757
Transactions with owners:						
• Acquisition of treasury shares during the year	-	-	-	-	(4,304,016,490)	(4,304,016,490)
• Reissuance of treasury shares during the year	-	-	243,620,300	-	4,301,801,547	4,545,421,847
• Redemption of deposits for future stock subscriptions	-	(223,861,175)	-	-	-	(223,861,175)
Total Transactions with owners	-	(223,861,175)	243,620,300	-	(2,214,943)	17,544,182
Balance, December 31, 2011	12,000,000	1,496,280,230	2,096,529,094	1,442,698,088	(2,543,232)	5,044,964,180
Profit for the year	-	-	-	1,693,221,319	-	1,693,221,319
Transactions with owners:						
• Acquisition of treasury shares during the year	-	-	-	-	(5,391,354,515)	(5,391,354,515)
• Reissuance of treasury shares during the year	-	-	(958,042,721)	-	5,393,853,992	4,435,811,271
• Deposits for future stock subscriptions received	-	2,471,112,635	-	-	-	2,471,112,635
Total Transactions with owners	-	2,471,112,635	(958,042,721)	-	2,499,477	1,515,569,391
Balance, December 31, 2012	P12,000,000	P3,967,392,865	P1,138,486,373	P3,135,919,407	(P43,755)	P8,253,754,890

MONEY MARKET FUND	For the Years Ended December 31					
	Share Capital	Deposit for future stock subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2010	P1,000,000	P149,207,476	P143,349,464	P1,431,476	(P303)	P294,988,113
Profit for the year	-	-	-	2,836,453	-	2,836,453
Transactions with owners:						
• Acquisition of treasury shares during the year	-	-	-	-	(1,070,933,035)	(1,070,933,035)
• Reissuance of treasury shares during the year	-	-	(35,851,472)	-	1,070,931,010	1,035,079,538
• Deposits for future stock subscriptions received (based on Audited FS)	-	116,597,327	-	-	-	116,597,327
Total Transactions with owners	-	116,597,327	(35,851,472)	-	(2,025)	80,743,830
Balance, December 31, 2010	1,000,000	265,804,803	107,497,992	4,267,929	(2,328)	378,568,396
Profit for the year	-	-	-	1,940,555	-	1,940,555
Transactions with owners:						
• Acquisition of treasury shares during the year	-	-	-	-	(1,742,415,898)	(1,742,415,898)
• Reissuance of treasury shares during the year	-	-	19,268,783	-	1,742,410,104	1,761,678,887
• Deposits for future stock subscriptions received (based on Audited FS)	-	123,902,996	-	-	-	123,902,996
Total Transactions with owners	-	123,902,996	19,268,783	-	(5,794)	143,165,985
Balance, December 31, 2011	1,000,000	389,707,799	126,766,775	6,208,484	(8,122)	523,674,936
Profit for the year	-	-	-	1,604,076	-	1,604,076
Transactions with owners:						
• Acquisition of treasury shares during the year	-	-	-	-	(1,668,333,300)	(1,668,333,300)
• Reissuance of treasury shares during the year	-	-	(22,836,632)	-	1,668,126,394	1,645,289,762
• Redemption of deposits for future stock subscriptions (based on Audited FS)	-	(209,056,869)	-	-	-	(209,056,869)
Total Transactions with owners	-	(209,056,869)	(22,836,632)	-	(206,906)	(232,100,407)
Balance, December 31, 2012	P1,000,000	P180,650,930	P103,930,143	P7,812,560	(P215,028)	P293,178,605

Sun Life Prosperity Funds

(Open-end Investment Companies)

GS FUND	For the Years Ended December 31					
	Share Capital	Deposit for future stock subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2010	P1,695,015	-	P187,946,098	P11,959,102	(P2,924,669)	P198,675,546
Profit for the year	-	-	-	39,242,970	-	39,242,970
Transactions with owners:						
• Reissuance of treasury shares during the year	304,985	-	32,622,364	-	324,670,795	357,598,144
• Acquisition of treasury shares during the year	-	-	-	-	(321,748,163)	(321,748,163)
• Deposits for future stock subscriptions received	-	622,139,723	-	-	-	622,139,723
Total Transactions with owners	304,985	622,139,723	32,622,364	-	2,922,632	657,989,704
Balance, December 31, 2010	2,000,000	622,139,723	220,568,462	51,202,072	(2,037)	895,908,220
Profit for the year	-	-	-	33,216,044	-	33,216,044
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	13,030,793	-	624,100,651	637,131,444
• Acquisition of treasury shares during the year	-	-	-	-	(624,316,654)	(624,316,654)
• Redemption of deposits for future stock subscriptions	-	(257,145,180)	-	-	-	(257,145,180)
Total Transactions with owners	-	(257,145,180)	13,030,793	-	(216,003)	(244,330,390)
Balance, December 31, 2011	2,000,000	364,994,543	233,599,255	84,418,116	(218,040)	684,793,874
Profit for the year	-	-	-	43,196,530	-	43,196,530
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	(66,295,628)	-	507,950,783	441,655,155
• Acquisition of treasury shares during the year	-	-	-	-	(507,891,531)	(507,891,531)
• Redemption of deposits for future stock subscriptions	-	(8,414,473)	-	-	-	(8,414,473)
Total Transactions with owners	-	(8,414,473)	(66,295,628)	-	59,252	(74,650,849)
Balance, December 31, 2012	P2,000,000	P356,580,070	P167,303,627	P127,614,646	(P158,788)	P653,339,555

STATEMENTS OF CHANGES IN EQUITY

DOLLAR ADVANTAGE FUND	For the Years Ended December 31					
	Share Capital	Deposit for future stock subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2010	\$124,000	\$3,686,884	\$13,700,229	\$1,344,219	(\$5,650)	\$18,849,682
Profit for the year	-	-	-	850,882	-	850,882
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	661,960	-	2,739,910	3,401,870
• Acquisition of treasury shares during the year	-	-	-	-	(2,748,514)	(2,748,514)
• Deposits for future stock subscriptions received	-	370,846	-	-	-	370,846
Total Transactions with owners	-	370,846	661,960	-	(8,604)	1,024,202
Balance, December 31, 2010	124,000	4,057,730	14,362,189	2,195,101	(14,254)	20,724,766
Profit for the year	-	-	-	(367,937)	-	(367,937)
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	395,617	-	3,561,491	3,957,108
• Acquisition of treasury shares during the year	-	-	-	-	(3,648,483)	(3,648,483)
• Deposits for future stock subscriptions received	-	6,298,694	-	-	-	6,298,694
Total Transactions with owners	-	6,298,694	395,617	-	(86,992)	6,607,319
Balance, December 31, 2011	124,000	10,356,424	14,757,806	1,827,164	(101,246)	26,964,148
Profit for the year	-	-	-	2,325,012	-	2,325,012
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	(1,182,099)	-	6,193,200	5,011,101
• Acquisition of treasury shares during the year	-	-	-	-	(7,321,921)	(7,321,921)
• Deposits for future stock subscriptions received	-	1,957,419	-	-	-	1,957,419
Total Transactions with owners	-	1,957,419	(1,182,099)	-	(1,128,721)	(353,401)
Balance, December 31, 2012	\$124,000	\$12,313,843	\$13,575,707	\$4,152,176	(\$1,229,967)	\$28,935,759

Sun Life Prosperity Funds

(Open-end Investment Companies)

STATEMENTS OF CHANGES IN EQUITY

DOLLAR ABUNDANCE FUND	For the Years Ended December 31					
	Share Capital	Deposit for future stock subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2010	\$40,000	\$878,739	\$4,273,735	\$408,232	(\$2,193)	\$5,598,513
Profit for the year	-	-	-	328,219	-	328,219
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	(46,135)	-	1,431,651	1,385,516
• Acquisition of treasury shares during the year	-	-	-	-	(1,430,752)	(1,430,752)
• Deposits for future stock subscriptions received	-	5,573,312	-	-	-	5,573,312
Total Transactions with owners	-	5,573,312	(46,135)	-	899	5,528,076
Balance, December 31, 2010	40,000	6,452,051	4,227,600	736,451	(1,294)	11,454,808
Profit for the year	-	-	-	707,336	-	707,336
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	93,080	-	2,551,820	2,644,900
• Acquisition of treasury shares during the year	-	-	-	-	(2,551,419)	(2,551,419)
• Deposits for future stock subscriptions received	-	1,132,619	-	-	-	1,132,619
Total Transactions with owners	-	1,132,619	93,080	-	401	1,226,100
Balance, December 31, 2011	40,000	7,584,670	4,320,680	1,443,787	(893)	13,388,244
Profit for the year	-	-	-	1,786,042	-	1,786,042
Transactions with owners:						
• Reissuance of treasury shares during the year	-	-	(1,658,472)	-	2,041,403	382,931
• Acquisition of treasury shares during the year	-	-	-	-	(2,045,789)	(2,045,789)
• Deposits for future stock subscriptions received	-	13,536,218	-	-	-	13,536,218
Total Transactions with owners	-	13,536,218	(1,658,472)	-	(4,386)	11,873,360
Balance, December 31, 2012	\$40,000	\$21,120,888	\$2,662,208	\$3,229,829	(\$5,279)	\$27,047,646



Sun Life Prosperity Funds
(Open-end Investment Companies)

STATEMENTS OF CASH FLOWS

STATEMENTS OF CASH FLOWS	BOND		BALANCED		PHILIPPINE EQUITY	
	For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
	2012	2011	2012	2011	2012	2011
	PHP	PHP	PHP	PHP	PHP	PHP
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax	P348,858,380	P386,431,294	P2,299,834,463	P337,549,926	P1,695,972,842	P164,568,553
Adjustments for:						
• Net unrealized gains (loss) on investments	(128,024,368)	(230,919,343)	(1,029,903,701)	681,342,724	(759,816,448)	481,468,071
• Net realized gains on investments	(21,273,673)	(3,429,104)	(1,208,129,289)	(940,406,285)	(957,344,220)	(626,237,902)
• Interest Income	(302,556,101)	(227,870,550)	(163,888,176)	(78,896,589)	(12,465,171)	(13,387,379)
• Dividend Income	-	-	(145,227,930)	(192,157,812)	(110,411,781)	(121,689,213)
• Reversal of accrued expenses	-	-	-	(19,435,893)	-	(11,327,791)
Operating cash flows before working capital changes	(102,995,762)	(75,787,703)	(247,314,633)	(212,003,929)	(144,064,778)	(126,605,661)
Decrease (Increase) in:						
• Due from brokers	-	-	(363,324,361)	(7,831,430)	(195,907,592)	2,399,508
• Other current assets	(1,106,972)	13,693	(135,405)	55,152	-	-
• Other non-current assets	1,396,932	(715,688)	845,558	(390,657)	261,783	(226,555)
Increase (Decrease) in:						
• Accrued expenses	(149,343)	108,722	61,998,153	(56,434,066)	941,399	(43,935,979)
• Other non-current assets	-	-	-	-	33,850,341	(34,401,508)
• Due to brokers	-	-	-	-	9,971,590	(398,622)
• Payable to fund manager	4,464,126	2,722,702	4,073,424	5,546,226	-	-
Cash used in operations	(98,391,019)	(73,658,274)	(543,857,264)	(271,058,704)	(294,947,257)	(203,168,817)
Acquisitions of financial assets at fair value through profit or loss	(55,723,770,334)	(76,030,375,826)	(116,920,103,484)	(139,328,516,970)	(85,835,679,207)	(92,927,439,693)
Proceeds from disposal of financial assets at fair value through profit or loss	55,343,997,302	74,791,113,711	116,131,054,955	139,531,525,298	84,627,227,506	92,954,333,120
Proceeds from maturities of financial assets at fair value through profit or loss	-	-	-	-	-	-
Dividends Received	-	-	148,572,060	189,383,525	113,513,257	118,420,959
Interest Received	338,392,311	255,567,415	175,959,768	68,480,464	12,502,425	13,362,650
Income taxes paid	(62,365,047)	(45,989,363)	(35,065,230)	(16,012,558)	(2,753,444)	(2,709,103)
Net cash from (used in) operating activities	(202,136,787)	(1,103,342,337)	(1,043,439,195)	173,801,055	(1,380,136,720)	(47,200,884)
CASH FLOWS FROM INVESTING ACTIVITIES						
Maturities (Acquisitions) of held-to-maturity investments	-	-	-	-	-	-
Proceeds from pre-termination of loans receivable	4,550,000	-	50,000,000	-	-	-
Proceeds from maturity of loans receivable	-	390,000,000	-	-	-	-
Issuance of loans receivable	-	(680,000,000)	-	-	-	-
Net cash from (used in) investing activities	4,550,000	(290,000,000)	50,000,000	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from reissuance of treasury shares	2,440,625,612	2,077,718,548	3,533,712,384	2,640,733,132	4,435,811,271	4,545,421,847
Payments on acquisition of treasury shares	(2,235,238,673)	(943,385,527)	(2,530,190,717)	(2,820,816,804)	(5,391,354,515)	(4,304,016,490)
Receipts of (Payments on redemption) of deposits for future stock subscriptions	-	-	-	-	2,471,112,635	(223,861,175)
Net cash from (used in) financing activities	205,386,939	1,134,333,021	1,003,521,667	(180,083,672)	1,515,569,391	17,544,182
Net (Decrease) Increase in Cash in Banks	7,800,152	(259,009,316)	10,082,472	(6,282,617)	135,432,671	(29,656,702)
Cash in Banks, Beginning	41,144,224	300,153,540	53,762,111	60,044,728	42,100,386	71,757,088
Cash in Banks, End	P48,944,376	P41,144,224	P63,844,583	P53,762,111	P177,533,057	P42,100,386

MONEY MARKET		GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
2012	2011	2012	2011	2012	2011	2012	2011
PHP	PHP	PHP	PHP	USD	USD	USD	USD
P3,653,587	P4,988,034	P52,270,299	P42,858,050	\$2,333,923	\$(329,937)	\$1,922,030	\$802,569
-	-	(12,222,502)	(13,713,179)	(2,093,949)	590,953	(1,570,888)	(522,420)
(9,697,790)	(10,838,061)	(16,564,243)	(5,338,320)	(386,276)	(193,019)	(384,428)	-
-	-	(36,897,982)	(37,559,106)	-	(539,612)	-	(720,463)
-	-	-	-	(545)	-	-	-
(6,044,203)	(5,850,027)	(13,414,428)	(13,752,555)	(531,275)	(470,715)	(369,321)	(241,522)
-	-	-	-	-	-	-	-
-	-	20,000	-	-	-	-	-
-	-	-	-	-	-	-	-
(147,408)	(5,104,734)	(117,101)	(3,292)	192	(54,159)	29,783	(76,716)
698	(276)	-	-	-	-	-	-
(489,155)	396,456	(272,388)	(190,387)	12,778	443	2,399	(7,726)
(6,680,068)	(10,558,581)	(13,783,917)	(13,946,234)	(518,305)	(524,431)	(337,139)	(325,964)
(43,199,420,000)	(36,326,450,000)	(11,006,626,235)	(16,142,305,971)	(509,012,082)	(657,995,906)	(399,185,166)	(340,081,315)
-	-	11,049,881,542	16,356,244,075	509,662,419	650,115,267	387,687,340	338,676,990
43,270,550,000	36,335,970,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,727,468	11,764,035	47,546,154	53,143,382	544,954	738,477	669,032	549,542
(2,049,511)	(3,047,397)	(9,073,769)	(9,642,006)	(12,180)	(60,130)	(116,250)	(89,744)
76,127,889	7,678,057	67,943,775	243,493,246	664,806	(7,726,723)	(11,282,183)	(1,270,491)
142,490,000	(147,463,713)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
142,490,000	(147,463,713)	-	-	-	-	-	-
1,645,289,762	1,761,678,887	441,655,155	637,131,444	5,011,101	3,957,108	382,931	2,644,900
(1,668,333,300)	(1,742,415,898)	(507,891,531)	(624,316,654)	(7,321,921)	(3,648,483)	(2,045,789)	(2,551,419)
(209,056,869)	123,902,996	(8,414,473)	(257,145,180)	1,957,419	6,298,694	13,536,218	1,132,619
(232,100,407)	143,165,985	(74,650,849)	(244,330,390)	(353,401)	6,607,319	11,873,360	1,226,100
(13,482,518)	3,380,329	(6,707,074)	(837,144)	311,405	(1,119,404)	591,177	(44,391)
24,544,137	21,163,808	21,291,658	22,128,802	277,150	1,396,554	223,345	267,736
P11,061,619	P24,544,137	P14,584,584	P21,291,658	\$588,555	\$277,150	\$814,522	\$223,345

Sun Life Prosperity Funds (Open-end Investment Companies)

NOTES TO FINANCIAL STATEMENTS

1. LOANS AND RECEIVABLES

The movements in loans and receivables are summarized as follows:

	BOND		BALANCED	
	2012	2011	2012	2011
	PHP	PHP	PHP	PHP
Balance, beginning	P680,000,000	P390,317,914	P50,000,000	P75,000,000
Additions	-	680,000,000	-	-
Pretermination	(4,550,000)	-	(50,000,000)	(25,000,000)
Maturities	-	(390,000,000)	-	-
Amortization of principal - net	-	(317,914)	-	-
TOTAL	P675,450,000	P680,000,000	0	P50,000,000

2. ACCRUED EXPENSES

	BOND		BALANCED		PHILIPPINE EQUITY	
	2012	2011	2012	2011	2012	2011
	PHP	PHP	PHP	PHP	PHP	PHP
Documentary stamp tax	P225,713	P615,049	P9,816	P9,342	P1,783	P36,528
Withholding taxes	750,082	437,495	2,330,158	1,420,219	1,704,204	861,329
Professional fees	185,067	180,757	127,990	125,253	74,373	74,427
Custodianship fees	75,560	56,994	317,003	137,185	227,357	101,124
Due to broker	-	-	89,567,982	28,662,797	-	-
Due to investors	2,016	2,016	73,228	73,228	7,090	-
Others	19,312	114,782	-	-	-	-
TOTAL	P1,257,750	P1,407,093	P92,426,177	P30,428,024	P2,014,807	P1,073,408

	MONEY MARKET		GS	
	2012	2011	2012	2011
	PHP	PHP	PHP	PHP
Documentary stamp tax	P231	P18,306	P383	P39,474
Withholding taxes	34,608	43,124	82,898	76,494
Professional fees	56,212	56,682	52,753	52,880
Custodianship fees	4,004	1,366	8,277	4,306
Due to investors	-	-	-	-
Others	559,300	682,286	1,981	90,239
TOTAL	P654,355	P801,764	P146,292	P263,393

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2012	2011	2012	2011
	USD	USD	USD	USD
Documentary stamp tax	-	\$491	\$285	\$643
Withholding taxes	1,746	3,244	5,275	3,924
Professional fees	1,830	1,749	1,325	1,247
Custodianship fees	186	106	390	159
Due to investors	117	117	1,097	-
Others	56,781	55,306	0	0
TOTAL	\$60,660	\$61,013	\$8,372	\$5,973

Due to investors account pertains to amount payable to investors for redemption of investments processed on or before the reporting period, which are usually paid two days after the transaction date.

Due to brokers account pertains to purchase of investments processed on or before reporting period, which are settled three days after the transaction date.

Others comprise of expenses related to the increase in authorized capital stock and printing and supplies accruals.

3. RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

A. Investment Management

Management fees charged by SLAMCI to the Companies in 2012, 2011 and 2010 are included in the Statements of Profit or Loss under “Management Fees” account shown in the table below. The table likewise shows the accrued management fees as of December 31, 2012 and 2011 as shown under “Payable to Fund Manager” account in the Statements of Financial Position, and the carrying amount approximates fair value which are usually paid to SLAMCI on or before 15th day of the following month.

MANAGEMENT FEE EXPENSES	2012	2011	2010
Bond Fund	P97,945,771	P69,924,224	P52,782,376
Balanced Fund	244,661,903	207,021,930	185,318,728
Philippine Equity Fund	141,862,592	123,003,411	86,648,990
Money Market Fund	5,341,831	5,452,893	3,711,649
GS Fund	12,961,507	13,214,892	6,475,578
Dollar Advantage Fund	\$514,797	\$466,915	\$347,561
Dollar Abundance Fund	\$354,252	\$227,946	\$132,868

ACCRUED MANAGEMENT FEE	2012	2011
Bond Fund	P12,591,929	P8,127,803
Balanced Fund	28,881,077	24,807,653
Philippine Equity Fund	19,988,566	10,016,976
Money Market Fund	297,833	786,988
GS Fund	1,021,893	1,294,281
Dollar Advantage Fund	\$46,934	\$34,156
Dollar Abundance Fund	\$38,539	\$8,756

B. Remuneration of Directors

These are presented in the statements of comprehensive income under “Directors’ Fees” account which are usually paid to Directors based on the meetings held and attended.

DIRECTORS’ FEE	2012	2011	2010
Bond Fund	P190,250	P224,000	P140,000
Balanced Fund	308,750	367,500	240,000
Philippine Equity Fund	310,000	387,500	240,000
Money Market Fund	190,250	154,000	140,000
GS Fund	191,501	244,000	160,000
Dollar Advantage Fund	\$4,665	\$5,754	\$3,650
Dollar Abundance Fund	\$4,653	\$5,712	\$3,650

C. Shares of Stock:

As of December 31, 2012, SLOCPI held the following number of shares in the funds:

	NUMBER OF SHARES	% NET OF ASSETS	
		2011	2010
Bond Fund	49,999,496	2.42%	2.53%
Balanced Fund	36,768,339	1.05%	1.67%
Philippine Equity Fund	53,059,760	4.42%	4.43%
Money Market Fund	52,699,260	52.80%	11.34%
GS Fund	54,121,600	27.08%	11.07%
Dollar Advantage Fund	519,573	9.01%	5.11%
Dollar Abundance Fund	530,596	26.55%	26.53%

D. Remuneration of Key Management Personnel

The Companies have no management personnel and employees. Pursuant to the Companies' Management Agreement with its Fund Manager, SLAMCI, the latter provides all staff of the Companies, including executive officers and other trained personnel.

4. SHARE CAPITAL

BOND	2012		2011		2010	
	Shares	PHP	Shares	PHP	Shares	PHP
Authorized						
3,800,000,000 ordinary shares at P1 par value	3,800,000,000	3,800,000,000	3,800,000,000	3,800,000,000	3,800,000,000	3,800,000,000
Issued and Fully Paid						
At December 1	3,730,399,542	P3,730,399,542	3,730,399,542	P3,730,399,542	3,730,399,542	P3,730,399,542
Treasury Shares						
At January 1	1,751,445,229	P3,617,937,140	2,246,966,595	P4,378,307,315	2,379,267,498	P4,528,986,113
Acquired in the period	927,714,853	2,235,238,673	456,973,799	943,385,527	351,462,003	750,147,040
Reissuance	(1,014,522,266)	(1,963,943,259)	(952,495,165)	(1,703,755,702)	(483,762,906)	(900,825,838)
At December 31	1,664,637,816	P3,889,232,554	1,751,445,229	P3,617,937,140	2,246,966,595	P4,378,307,315

BALANCED	2012		2011		2010	
	Shares	PHP	Shares	PHP	Shares	PHP
Authorized						
4,000,000,000 ordinary shares at P0.01 par value	4,000,000,000	40,000,000	4,000,000,000	40,000,000	4,000,000,000	40,000,000
Issued and Fully Paid:						
At January 1	3,311,965,293	33,119,653	3,311,965,293	33,119,653	200,000,000	2,000,000
Issuances during the year	186,170,433	1,861,704	-	-	3,111,965,293	31,119,653
At December 31	3,498,135,726	34,981,357	3,311,965,293	33,119,653	3,311,965,293	33,119,653

BALANCED	2012		2011		2010	
	Shares	PHP	Shares	PHP	Shares	PHP
Treasury Shares						
At January 1	127,031,516	340,558,053	69,666,002	181,860,465	1,367	2,751
Acquired in the period	861,565,785	2,530,190,717	1,099,860,810	2,820,816,804	1,285,564,252	2,974,863,631
Reissuance	(988,597,301)	(2,870,748,770)	(1,042,495,296)	(2,662,119,216)	(1,215,899,617)	(2,793,005,917)
At December 31	-	-	127,031,516	P340,558,053	69,666,002	P181,860,465
Deposits for Future Stock Subscriptions						
At January 1	-	-	-	-	3,592,057,696	P6,976,705,988
Redemptions	-	-	-	-	(3,592,057,696)	(6,976,705,988)
At December 31	-	-	-	-	-	-

PHILIPPINE EQUITY	2012		2011		2010	
	Shares	PHP	Shares	PHP	Shares	PHP
Authorized						
1,200,000,000 ordinary shares at P0.01 par value	1,200,000,000	12,000,000	1,200,000,000	12,000,000	1,200,000,000	12,000,000
Issued and Fully Paid						
At January 1	1,200,000,000	12,000,000	1,200,000,000	12,000,000	200,000,000	2,000,000
Issuances during the year	-	-	-	-	1,000,000,000	10,000,000
At December 31	1,200,000,000	12,000,000	1,200,000,000	12,000,000	1,200,000,000	12,000,000
Treasury Shares						
At January 1	948,791	2,543,232	125,709	328,289	279	516
Acquired in the period	584,670,667	5,391,354,515	1,731,140,195	4,304,016,490	1,449,168,122	2,957,668,419
Reissuance	(585,607,210)	(5,393,853,992)	(1,730,317,113)	(4,301,801,547)	(1,449,042,692)	(2,957,340,646)
At December 31	12,248	43,755	948,791	2,543,232	125,709	328,289

PHILIPPINE EQUITY	2012		2011		2010	
	Shares	PHP	Shares	PHP	Shares	PHP
Deposits for Future Stock Subscriptions						
At January 1	678,995,546	1,496,280,230	663,183,007	1,720,141,405	1,449,012,530	2,560,902,206
Redemptions	431,603,470	2,471,112,635	15,812,539	(223,861,175)	(785,829,523)	(840,760,801)
At December 31	1,110,599,016	3,967,392,865	678,995,546	1,496,280,230	663,183,007	1,720,141,405

MONEY MARKET	2012		2011		2010	
	Shares	PHP	Shares	PHP	Shares	PHP
Authorized						
400,000,000 ordinary shares at P0.01 par value	400,000,000	4,000,000	400,000,000	4,000,000	400,000,000	1,000,000
Issued and Fully Paid						
At December 31	100,000,000	1,000,000	100,000,000	1,000,000	100,000,000	1,000,000
Treasury Shares						
At January 1	7,207	8,122	2,073	2,328	271	303
Acquired in the period	28,666,408	1,668,333,300	1,569,009,292	1,742,415,898	956,477,705	1,070,933,035
Reissuance	(28,483,419)	(1,668,126,394)	(1,569,004,158)	(1,742,410,104)	(956,475,903)	(1,070,931,010)
At December 31	190,196	215,028	7,207	8,122	2,073	2,328
Deposits for Future Stock Subscriptions						
At January 1	364,733,522	389,707,799	237,180,944	265,804,803	164,778,978	149,207,476
Redemptions	(205,006,793)	(209,056,869)	127,552,578	123,902,996	72,401,966	116,597,327
At December 31	159,726,729	180,650,930	364,733,522	389,707,799	237,180,944	265,804,803

GS	2012		2011		2010	
	Shares	PHP	Shares	PHP	Shares	PHP
Authorized						
200,000,000 ordinary shares at P0.01 par value	200,000,000	2,000,000	200,000,000	2,000,000	200,000,000	2,000,000
Issued and Fully Paid						
At January 1	200,000,000	2,000,000	200,000,000	2,000,000	169,501,465	1,695,015
Issuances during the year	-	-	-	-	30,498,535	304,985
At December 31	200,000,000	2,000,000	200,000,000	2,000,000	200,000,000	2,000,000
Treasury Shares						
At January 1	156,402	218,040	1,544	2,037	2,459,358	2,924,669
Acquired in the period	47,766,793	507,891,531	495,268,641	624,316,654	262,780,073	321,748,163
Reissuance	(47,816,072)	(507,950,783)	(495,113,783)	(624,100,651)	(265,237,887)	(324,670,795)
At December 31	107,123	158,788	156,402	218,040	1,544	2,037
Deposits for Future Stock Subscriptions						
At January 1	289,230,325	364,994,543	479,079,889	622,139,723	-	-
Redemptions	(49,092,895)	(8,414,473)	(189,849,564)	(257,145,180)	479,079,889	622,139,723
At December 31	240,137,430	356,580,070	289,230,325	364,994,543	479,079,889	622,139,723

DOLLAR ADVANTAGE	2012		2011		2010	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized						
6,200,000 ordinary shares at P0.01 par value	6,200,000	P6,200,000	6,200,000	P6,200,000	6,200,000	P6,200,000
Issued and Fully Paid						
At December 31	6,200,000	\$124,000	6,200,000	\$124,000	6,200,000	\$124,000

DOLLAR ADVANTAGE	2012		2011		2010	
	Shares	Amount	Shares	Amount	Shares	Amount
Treasury Shares						
At January 1	38,205	\$101,246	5,305	\$14,254	2,209	\$5,650
Acquired in the period	1,612,721	7,321,921	1,514,158	3,648,483	1,167,605	2,748,514
Reissuance	(1,219,254)	(6,193,200)	(1,481,258)	(3,561,491)	(1,164,509)	(2,739,910)
At December 31	431,672	\$1,229,967	38,205	\$101,246	5,305	\$14,254
Deposits for Future Stock Subscriptions						
At January 1	4,008,213	\$10,356,424	1,516,109	\$4,057,730	1,145,559	\$3,686,884
Receipt	263,867	1,957,419	2,492,104	6,298,694	370,550	370,846
At December 31	4,272,080	\$12,313,843	4,008,213	\$10,356,424	1,516,109	\$4,057,730

DOLLAR ABUNDANCE	2012		2011		2010	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized						
2,000,000 ordinary shares at P0.01 par value	2,000,000	P2,000,000	2,000,000	P2,000,000	2,000,000	P2,000,000
Issued and Fully Paid						
At December 31	2,000,000	\$40,000	2,000,000	\$40,000	2,000,000	\$40,000
Treasury shares						
At January 1	334	\$893	511	\$1,294	929	\$2,193
Acquired in the period	193,046	2,045,789	1,056,031	2,551,419	1,063,999	1,430,752
Reissuance	(191,590)	(2,041,403)	(1,056,208)	(2,551,820)	(1,064,417)	(1,431,651)
At December 31	1,790	\$5,279	334	\$893	511	\$1,294
Deposits for Future Stock Subscriptions						
At January 1	3,005,901	\$7,584,670	2,529,986	\$6,452,051	375,518	\$878,739
Receipt	4,125,920	13,536,218	475,915	1,132,619	2,154,468	5,573,312
At December 31	7,131,821	\$21,120,888	3,005,901	\$7,584,670	2,529,986	\$6,452,051

5. ADDITIONAL PAID-IN CAPITAL

The Companies' additional paid in capital pertains to excess payments from investors over par value are shown in table below:

ADDITIONAL PAID IN CAPITAL	2012	2011
Bond Fund	P2,376,812,358	P1,900,130,005
Balanced Fund	7,208,009,160	6,546,907,250
Philippine Equity Fund	1,138,486,373	2,096,529,094
Money Market Fund	103,930,143	126,766,775
GS Fund	167,303,627	233,599,255
Dollar Advantage Fund	\$13,575,707	\$14,757,806
Dollar Abundance Fund	\$2,662,208	\$4,320,680

6. NET ASSET VALUE PER SHARE

In accordance with the Company's valuation policy, fixed-income securities with quoted market prices and listed equity securities are valued at bid and last closing prices, respectively, for the purpose of determining the NAVPS for share subscriptions and redemptions.

Redeemable shares carry one vote each, and subject to the following:

a. Distribution of Dividends

Each shareholder has a right to any dividends declared by the Company's Board of Directors and approved by 2/3 of its outstanding shareholders of the Company.

b. Denial of Pre-Emptive Rights

No stockholder shall, because of his ownership of the stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of stock or of any other securities convertible into or carrying options or warrants to purchase stock of the registrant.

c. Right of Redemption

The holder of any share of the registrant upon its presentation to the Company or to any of its duly authorized representative is entitled to receive, by way of redemption, approximately his proportionate share of the Company's current net assets or the cash equivalent thereof. Shares are redeemable at any time at their net assets value less any applicable sales charges and taxes.

NAVPS is computed as follows:

BOND	2012	2011
	PHP	PHP
Total Equity	5,257,407,589	4,765,527,317
Outstanding Shares	2,065,761,726	1,978,954,313
NAVPS	2.545	2.4081

BALANCED	2012	2011
	PHP	PHP
Total Equity	11,938,620,107	8,670,329,207
Issued and fully paid shares	3,498,135,726	3,184,933,777
NAVPS	3.4129	2.7223

EQUITY	2012	2011
	PHP	PHP
Total Equity	8,253,754,890	5,044,964,180
Issued and fully paid shares	1,199,987,752	1,199,051,209
Deposit for future stock subscriptions	1,110,599,016	678,995,546
	2,310,586,768	1,878,046,755
NAVPS	3.5721	2.6863

MONEY MARKET	2012	2011
	PHP	PHP
Total Equity	293,178,605	523,674,936
Issued and fully paid shares	99,809,804	99,992,793
Deposit for future stock subscriptions	159,726,729	364,733,522
	259,536,533	464,726,315
NAVPS	1.1296	1.1268

GS	2012	2011
	PHP	PHP
Total Equity	653,339,555	684,793,874
Issued and fully paid shares	199,892,877	199,843,598
Deposit for future stock subscriptions	240,137,430	289,230,325
	440,030,307	489,073,923
NAVPS	P1.4848	1.4002

DOLLAR ADVANTAGE	2012	2011
	USD	USD
Total Equity	\$28,935,759	\$26,964,148
Issued and fully paid shares	5,768,328	6,161,795
Deposit for future stock subscriptions	4,272,080	4,008,213
	10,040,408	10,170,008
NAVPS	\$2.8819	\$2.6513

DOLLAR ABUNDANCE	2012	2011
	USD	USD
Total Equity	\$27,047,646	\$13,388,244
Issued and fully paid shares	1,998,210	1,999,666
Deposit for future stock subscriptions	7,131,821	3,005,901
	9,130,031	5,005,567
NAVPS	\$2.9625	\$2.6747

Movements of outstanding shares and deposits for future stock subscriptions, are shown as follows:

BOND				
Year	NAVPS, end	Issuances	Redemptions	Balances
2009	P2.0567	-	-	1,351,132,044
2010	P2.2183	483,762,906	(351,462,003)	1,483,432,947
2011	P2.4081	952,495,165	(456,973,799)	1,978,954,313
2012	P2.5450	1,014,522,266	(927,714,853)	2,065,761,726

BALANCED				
Year	NAVPS, end	Issuances	Redemptions	Balances
2009	P2.0123	-	-	199,998,633
2010	P2.6305	4,327,864,910	(1,285,564,252)	3,242,299,291
2011	P2.7223	1,042,495,296	(1,099,860,810)	3,184,933,777
2012	P3.4129	1,174,767,734	(861,565,785)	3,498,135,726

PHILIPPINE EQUITY				
Year	NAVPS, end	Issuances	Redemptions	Balances
2009	P1.8490	-	-	199,999,721
2010	P2.6116	2,449,042,692	(1,449,168,122)	1,199,874,291
2011	P2.6863	1,730,317,113	(1,731,140,195)	1,199,051,209
2012	P3.5721	585,607,210	(584,670,667)	1,199,987,752

MONEY MARKET				
Year	NAVPS, end	Issuances	Redemptions	Balances
2009	P1.1141	-	-	99,999,729
2010	P2.5289	956,475,903	(956,477,705)	99,997,927
2011	P2.6747	1,569,004,158	(1,569,009,292)	99,992,793
2012	P2.9604	28,483,419	(28,666,408)	99,809,804

GS				
Year	NAVPS, end	Issuances	Redemptions	Balances
2009	P1.1894	-	-	167,042,107
2010	P1.3913	295,736,422	(262,780,073)	199,998,456
2011	P1.4002	495,113,783	(495,268,641)	199,843,598
2012	P1.4848	47,816,072	(47,766,793)	199,892,877

DOLLAR ADVANTAGE				
Year	NAVPS, end	Issuances	Redemptions	Balances
2009	\$2.5669	-	-	6,197,791
2010	\$2.6878	1,164,509	(1,167,605)	6,194,695
2011	\$2.6513	1,481,258	(1,514,158)	6,161,795
2012	\$2.8819	1,219,254	(1,612,721)	5,768,328

DOLLAR ABUNDANCE				
Year	NAVPS, end	Issuances	Redemptions	Balances
2009	2.3577	-	-	1,999,071
2010	2.5289	1,064,417	(1,063,999)	1,999,489
2011	2.6747	1,056,208	(1,056,031)	1,999,666
2012	2.9625	191,590	(193,046)	1,998,210

NAVPS is based on issued, outstanding and fully paid shares plus deposits for future stock subscriptions. The expected cash outflow on redemption of these equity shares is equivalent to computed NAVPS as at reporting period.

7. INTEREST INCOME

Interest income is recorded gross of withholding tax and the related final withholding taxes are shown as "Income Tax Expense" in the profit or loss.

This account consists of interest income on the following:

	BOND			BALANCED		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Treasury notes	245,520,903	181,327,229	172,429,262	138,624,265	42,973,561	63,573,105
Special savings deposits	10,232,516	11,013,909	7,949,308	22,902,772	28,806,295	15,062,682
Corporate loans	46,724,600	35,466,480	34,539,438	2,187,300	4,812,379	5,715,040
Cash in banks	78,082	62,932	82,547	173,839	227,400	139,292
Treasury bills	-	-	-	-	2,076,954	17,906,183
	302,556,101	227,870,550	215,000,555	163,888,176	78,896,589	102,396,302

	PHILIPPINE EQUITY		
	2012	2011	2010
	PHP	PHP	PHP
Treasury notes	-	-	3,326,513
Special savings deposits	12,300,127	13,222,215	6,551,403
Corporate loans	-	-	-
Cash in banks	165,044	165,164	154,047
Treasury bills	-	-	-
	12,465,171	13,387,379	10,031,963

	MONEY MARKET			GS		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Treasury notes	-	-	-	35,443,477	35,920,679	18,918,167
Special savings deposits	9,077,078	7,168,306	8,666,164	1,392,779	1,532,818	1,386,829
Held-to-maturity investments	534,205	3,581,920	-	-	-	-
Cash in banks	86,507	87,835	40,782	61,726	105,609	18,758
	9,697,790	10,838,061	8,706,946	36,897,982	37,559,106	20,323,754

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	2012	2011	2010	2012	2011	2010
	USD	USD	USD	USD	USD	USD
Fixed-income securities	-	-	-	715,723	518,895	326,994
Dollar-denominated bonds	380,294	533,611	740,651	-	-	-
Special savings deposits	3,657	5,425	2,092	4,174	2,141	670
Cash in banks	477	576	465	566	635	786
	384,428	539,612	743,208	720,463	521,671	328,450

Interest income earned on financial assets, analyzed by categories are as follows:

	BOND			BALANCED		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Financial asset at fair value through profit or loss	255,753,419	192,341,138	180,378,570	161,527,037	73,856,810	96,541,970
Loans and receivables	46,724,600	35,466,480	34,539,438	2,187,300	4,812,379	5,715,040
Held-to-maturity investments	-	62,932	82,547	-	-	-
Cash in banks	78,082	62,932	82,547	173,839	227,400	139,292
	302,556,101	227,870,550	215,000,555	163,888,176	78,896,589	102,396,302

	PHILIPPINE EQUITY		
	2012	2011	2010
	PHP	PHP	PHP
Financial asset at fair value through profit or loss	12,300,127	13,222,215	9,877,916
Loans and receivables	-	-	-
Held-to-maturity investments	-	-	-
Cash in banks	165,044	165,164	154,047
	12,465,171	13,387,378	10,031,963

	MONEY MARKET			GS		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Financial asset at fair value through profit or loss	9,077,078	7,168,306	8,666,164	36,836,256	37,453,497	20,304,996
Loans and receivables	-	-	-	-	-	-
Held-to-maturity investments	534,205	3,581,920	-	-	-	-
Cash in banks	86,507	87,835	40,782	61,726	105,609	18,758
	9,697,790	10,838,061	8,706,946	36,897,982	37,559,106	20,323,754

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	2012	2011	2010	2012	2011	2010
	USD	USD	USD	USD	USD	USD
Financial asset at fair value through profit or loss	\$383,951	539,036	742,743	719,897	521,036	327,664
Loans and receivables	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-
Cash in banks	477	576	465	566	635	786
	\$384,428	539,612	743,208	720,463	521,671	328,450

	BALANCED		
	2012	2011	2010
	PHP	PHP	PHP
Reversal of accrued expenses	-	19,435,893	5,717,747
Gain from pre-termination of loan	-	-	750,000
Others	156,025	-	26
	156,025	19,435,893	6,467,773

8. NET REALIZED GAIN (LOSS) ON INVESTMENTS

	2012	2011	2010
	PHP	PHP	PHP
Listed equity shares	1,197,042,161	936,008,662	790,890,204
Fixed-income securities	11,087,128	4,397,623	12,192,978
	1,208,129,289	940,406,285	803,083,182

	PHILIPPINE EQUITY		
	2012	2011	2010
	PHP	PHP	PHP
Reversal of accrued expenses	-	11,327,791	-
Gain from pre-termination of loan	-	-	-
Others	-	-	1,761,378
	-	11,327,791	1,761,378

Investment in fixed-income securities consist of investments in treasury notes, special saving deposits and corporate loan.

9. OTHER INCOME

	BOND		
	2012	2011	2010
	PHP	PHP	PHP
Reversal of accrued expenses	-	-	-
Gain from pre-termination of loan	-	-	4,950,000
Others	-	-	103,540
	-	-	5,053,540

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	BOND			BALANCED		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Profit for the year	286,493,333	340,441,931	223,319,271	2,264,769,233	321,581,086	2,140,620,420
Monthly weighted average number of issued and outstanding shares for the purpose of computing basic earnings per share	2,158,537,534	1,689,336,052	1,393,221,382	3,294,515,282	3,244,288,207	3,492,024,607
Basic earnings per share	0.13	0.20	0.16	0.69	0.10	0.61

	EQUITY			MONEY MARKET		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Profit for the year	1,693,221,319	161,892,757	1,253,015,876	1,604,076	1,940,555	2,836,453
Monthly weighted average number of issued and outstanding shares for the purpose of computing basic earnings per share	1,196,971,774	1,199,916,642	366,647,936	98,906,439	99,992,855	99,994,507
Monthly weighted average number of issued and outstanding shares for the purpose of computing diluted earnings per share	1,874,573,736	1,941,940,617	1,705,412,332	428,826,230	454,644,989	329,039,654
Basic earnings per share	P1.41	P0.13	P3.42	P0.016	P0.019	P0.028
Diluted earnings per share	P0.90	P0.08	P0.73	P0.004	P0.004	P0.009

	GS		
	2012	2011	2010
	PHP	PHP	PHP
Profit for the year	43,196,530	33,216,044	39,242,970
Monthly weighted average number of issued and outstanding shares for the purpose of computing basic earnings per share	199,592,280	199,983,211	187,945,319
Monthly weighted average number of issued and outstanding shares for the purpose of computing diluted earnings per share	487,673,235	542,379,755	300,611,655
Basic earnings per share	P0.22	P0.17	P0.21
Diluted earnings per share	P0.09	P0.06	P0.13

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	2012	2011	2010	2012	2011	2010
	USD	USD	USD	USD	USD	USD
Profit for the year	2,325,012	(367,937)	850,882	1,786,042	707,336	328,219
Monthly weighted average number of issued and outstanding shares for the purpose of computing basic earnings per share	6,115,944	6,194,528	6,198,909	1,990,244	1,999,065	1,998,538
Monthly weighted average number of issued and outstanding shares for the purpose of computing diluted earnings per share	10,032,450	9,541,151	7,370,599	6,973,734	4,810,996	3,050,783
Basic earnings per share	0.38	(0.06)	0.14	0.90	0.35	0.16
Diluted earnings per share	0.23	(0.04)	0.12	0.26	0.15	0.11

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the companies' financial assets and financial liabilities are shown below:

BOND	2012		2011	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	4,476,637,311	4,476,637,311	3,991,532,165	3,991,532,165
Cash in banks	48,944,376	48,944,376	41,144,224	41,144,224
Loans and receivables	675,450,000	675,450,000	680,000,000	680,000,000
Accrued interest receivable	68,965,984	68,965,984	60,836,267	60,836,267
	5,269,997,671	5,269,997,671	4,773,512,656	4,773,512,656
Financial Liabilities				
Payable to fund manager	12,591,929	12,591,929	8,127,803	8,127,803
Accrued expenses	281,955	281,955	354,549	354,549
	12,873,884	12,873,884	8,482,352	8,482,352

BALANCED	2012		2011	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	11,587,368,865	11,587,368,865	8,570,169,872	8,570,169,872
Cash in banks	63,844,583	63,844,583	53,762,111	53,762,111
Loan receivable	-	-	50,000,000	50,000,000
Accrued interest receivable	36,307,218	36,307,218	38,496,284	38,496,284
Due from brokers	371,155,791	371,155,791	7,831,430	7,831,430
	12,058,676,457	12,058,676,457	8,720,259,697	8,720,259,697
Financial Liabilities				
Accrued expenses	90,086,203	90,086,203	28,998,463	28,998,463
Payable to fund manager	28,881,077	28,881,077	24,807,653	24,807,653
	118,967,280	118,967,280	53,806,116	53,806,116

PHILIPPINE EQUITY	2012		2011	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	7,947,077,276	7,947,077,276	5,021,464,907	5,021,464,907
Cash in banks	177,533,057	177,533,057	42,100,386	42,100,386
Due from brokers	205,372,226	205,372,226	9,464,634	9,464,634
Accrued interest receivable	85,772	85,772	123,026	123,026
	8,330,068,331	8,330,068,331	5,073,152,953	5,073,152,953
Financial Liabilities				
Due to brokers	55,291,176	55,291,176	21,440,835	21,440,835
Payable to fund manager	19,988,566	19,988,566	10,016,976	10,016,976
Accrued expenses	308,820	308,820	175,551	175,551
	75,588,562	75,588,562	31,633,362	31,633,362

MONEY MARKET	2012		2011	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	283,020,000	283,020,000	354,150,000	354,150,000
Cash in banks	11,061,619	11,061,619	24,544,137	24,544,137
Accrued interest receivable	49,450	49,450	3,504,769	3,504,769
Held to Maturity Investment	-	-	143,064,360	143,064,360
	294,131,069	294,131,069	525,263,266	525,263,266
Financial Liabilities				
Accrued expenses	60,216	60,216	58,048	58,048
Payable to fund manager	297,833	297,833	786,988	786,988
	358,049	358,049	845,036	845,036

GS	2012		2011	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	633,773,113	633,773,113	656,732,037	656,732,037
Cash in banks	14,584,584	14,584,584	21,291,658	21,291,658
Accrued interest receivable	6,150,043	6,150,043	8,307,853	8,307,853
	654,507,740	654,507,740	686,331,548	686,331,548
Financial Liabilities				
Payable to fund manager	1,021,893	1,021,893	1,294,281	1,294,281
Accrued expenses	63,011	63,011	147,425	147,425
	1,084,904	1,084,904	1,441,706	1,441,706

DOLLAR ADVANTAGE	2012		2011	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	\$28,309,517	\$28,309,517	\$26,568,971	\$26,568,971
Cash in banks	588,555	588,555	277,150	277,150
Accrued interest receivable	147,965	147,965	219,149	219,149
	\$29,046,037	\$29,046,037	\$27,065,270	\$27,065,270
Financial Liabilities				
Accrued expenses	\$58,914	\$58,914	\$57,278	\$57,278
Payable to fund manager	46,934	46,934	34,156	34,156
	\$105,848	\$105,848	\$91,434	\$91,434

DOLLAR ABUNDANCE	2012		2011	
	Carrying Amounts	Fair Value	Carrying Amounts	Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	\$25,919,061	\$25,919,061	\$12,981,127	\$12,981,127
Cash in banks	814,522	814,522	223,345	223,345
Accrued interest receivable	405,209	405,209	222,998	222,998
	\$27,138,792	\$27,138,792	\$13,427,470	\$13,427,470
Financial Liabilities				
Payable to fund manager	\$38,539	\$38,539	\$8,756	\$8,756
Accrued expenses	2,812	2,812	2,049	2,049
	\$41,351	\$41,351	\$10,805	\$10,805

The fair value of loans receivable is determined based on the discounted cash flow analysis using interest rates for similar types instruments.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

BOND	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through profit or loss:	December 31, 2012		
Special savings deposits	-	P378,270,000	378,270,000
Fixed-income securities	4,098,367,311	-	4,098,367,311
Investments in listed equity securities	-	-	-
	4,098,367,311	P378,270,000	4,476,637,311
Financial assets at fair value through profit or loss:	December 31, 2011		
Special savings deposits	-	392,150,000	392,150,000
Fixed-income securities	3,599,382,165	-	3,599,382,165
Investments in listed equity securities	-	-	-
	3,599,382,165	P392,150,000	3,991,532,165

The fair values of the Company's financial assets and financial liabilities are determined as follows:

Due to the short-term maturities of cash in banks, accrued interest receivable, payable to fund manager and accrued expenses, their carrying amounts approximate their fair values.

BALANCED	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through profit or loss: December 31, 2012			
Special savings deposits	-	1,335,040,000	1,335,040,000
Fixed-income securities	2,561,047,888	-	2,561,047,888
Investments in listed equity securities	7,691,280,977	-	7,691,280,977
	10,252,328,865	1,335,040,000	11,587,368,865
Financial assets at fair value through profit or loss: December 31, 2011			
Special savings deposits	-	933,430,000	933,430,000
Fixed-income securities	2,327,288,248	-	2,327,288,248
Investments in listed equity securities	5,309,451,624	-	5,309,451,624
	7,636,739,872	933,430,000	8,570,169,872

PHILIPPINE EQUITY	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through profit or loss: December 31, 2012			
Special savings deposits	-	P551,130,000	551,130,000
Investments in listed equity securities	7,395,947,276	-	7,395,947,276
	7,395,947,276	551,130,000	7,947,077,276
Financial assets at fair value through profit or loss: December 31, 2011			
Special savings deposits	-	710,580,000	710,580,000
Investments in listed equity securities	4,310,884,907	-	4,310,884,907
	4,310,884,907	710,580,000	5,021,464,907

MONEY MARKET	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through profit or loss: December 31, 2012			
Special savings deposits	-	283,020,000	283,020,000
	-	283,020,000	283,020,000
Financial assets at fair value through profit or loss: December 31, 2011			
Special savings deposits	-	354,150,000	354,150,000
	-	354,150,000	354,150,000

GS	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through profit or loss: December 31, 2012			
Special savings deposits	-	88,780,000	88,780,000
Fixed-income securities	544,993,113	-	544,993,113
	544,993,113	88,780,000	633,773,113
Financial assets at fair value through profit or loss: December 31, 2011			
Special savings deposits	-	46,980,000	46,980,000
Fixed-income securities	609,752,037	-	609,752,037
	609,752,037	46,980,000	656,732,037

DOLLAR ADVANTAGE	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through profit or loss:			
December 31, 2012			
Special savings deposits	-	\$2,018,300	\$2,018,300
Fixed-income securities	7,431,024	-	7,431,024
Investments in listed equity securities	18,860,193	-	18,860,193
	\$26,291,217	\$2,018,300	\$28,309,517
Financial assets at fair value through profit or loss:			
December 31, 2011			
Special savings deposits	-	\$7,622,600	\$7,622,600
Fixed-income securities	8,985,671	-	8,985,671
Investments in listed equity securities	9,960,700	-	9,960,700
	\$18,946,371	\$7,622,600	\$26,568,971

DOLLAR ABUNDANCE	LEVEL 1	LEVEL 2	TOTAL
Financial assets at fair value through profit or loss:			
December 31, 2012			
Special savings deposits	-	\$2,402,500	\$2,402,500
Fixed-income securities	23,516,561	-	23,516,561
Investments in listed equity securities	-	-	-
	\$23,516,561	\$2,402,500	\$25,919,061
Financial assets at fair value through profit or loss:			
December 31, 2011			
Special savings deposits	-	\$1,328,100	\$1,328,100
Fixed-income securities	11,653,027	-	11,653,027
Investments in listed equity securities	-	-	-
	\$11,653,027	\$1,328,100	\$12,981,127

The fair values of special savings deposits are based on the quoted price of similar instruments. The fair values of investments in treasury notes are based on quoted prices in active market. Listed equity securities are valued at closing price in compliance with SRC Rule 52.1 Par. e, which states that securities shall be valued at the last sales price. If no sale of such security is made on that date, bid prices will then be considered as the closing price.

There were no transfers between different levels in 2012 and 2011.

12. INCOME TAXES

Income tax expense pertains to current tax expense paid during the year.

A reconciliation of the statutory income tax rate to effective income tax rate follows:

	BOND			BALANCED		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Accounting Income	348,858,380	386,431,294	266,596,235	2,299,834,463	337,549,926	2,162,772,128
Tax expense at 30%	104,657,514	115,929,388	79,978,871	689,950,339	101,264,978	648,831,638
Adjustment for income subject to lower tax rate	(16,715,828)	(11,636,484)	(10,725,853)	(373,312,626)	(287,059,021)	(244,119,733)
Tax effects of:						
Unrecognized net operating loss carry-over (NOLCO)	16,881,349	12,000,993	4,707,804	73,538,200	56,326,697	53,468,186
Unrecognized MCIT	2,331,424	-	-	754,944	-	-
Non-taxable income	(6,382,102)	(1,028,731)	(8,748,401)	(3,326,138)	(1,319,287)	(3,657,893)
Unrealized fair value gains on investments	(38,407,310)	(69,275,803)	(21,935,457)	(308,971,110)	204,402,817	(376,277,831)
Dividend income exempt from tax	-	-	-	(43,568,379)	(57,647,344)	(56,092,659)
	62,365,047	45,989,363	43,276,964	35,065,230	15,968,840	22,151,708

	PHILIPPINE EQUITY		
	2012	2011	2010
	PHP	PHP	PHP
Accounting Income	1,695,972,842	164,568,553	1,255,016,568
Tax expense at 30%	508,791,853	49,370,566	376,504,970
Adjustment for income subject to lower tax rate	(288,453,078)	(189,211,788)	(159,927,474)
Tax effects of:			
Unrecognized net operating loss carry-over (NOLCO)	43,219,433	34,583,361	27,814,611
Unrecognized MCIT	261,783	-	-
Net unrealized fair value loss (gains) on investments	(227,944,934)	144,440,421	(215,509,962)
Dividend income exempt from tax	(33,123,534)	(36,506,764)	(26,881,453)
	2,751,523	2,675,796	2,000,692

	MONEY MARKET			GS		
	2012	2011	2010	2012	2011	2010
	PHP	PHP	PHP	PHP	PHP	PHP
Accounting Income	3,653,587	4,988,034	4,574,781	52,270,299	42,858,050	44,272,486
Tax expense at 30%	1,096,076	1,496,410	1,372,434	15,681,090	12,857,415	13,281,746
Adjustment for income subject to lower tax rate	(1,032,832)	(1,523,745)	(873,756)	(1,995,625)	(1,625,726)	(1,067,610)
Tax effects of:						
Unrecognized net operating loss carry-over (NOLCO)	1,813,261	1,755,008	1,239,649	4,024,328	4,125,767	2,062,810
Unrecognized MCIT	698	-	-	-	-	-
Non-taxable income	-	-	-	(4,969,273)	(1,601,496)	-
Non-deductible expense	172,308	1,319,806	-	-	-	-
Net unrealized fair value gain on investments	-	-	-	(3,666,751)	(4,113,954)	(9,247,430)
	2,049,511	3,047,479	1,738,327	9,073,769	9,642,006	5,029,516

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	2012	2011	2010	2012	2011	2010
	USD	USD	USD	USD	USD	USD
Accounting Income	\$2,333,923	(\$329,037)	\$961,485	\$1,922,030	\$802,569	\$393,954
Tax expense (benefit) at 30%	\$700,177	(\$98,711)	\$288,445	\$576,609	\$240,771	\$118,186
Adjustment for income subject to lower tax rate	(19,730)	(11,366)	(39,384)	(8,589)	(8,125)	(7,893)
Tax effects of:						
Unrecognized Net operating loss carry-over (NOLCO)	30,327	-	-	-	-	-
Unrecognized MCIT	8,604	-	-	-	-	-
Non-taxable income	(109,085)	(57,906)	(88,622)	-	-	-
Non-deductible expenses	26,803	29,597	36,339	39,234	19,313	18,437
Net unrealized fair value gains (loss) on investments	(628,185)	177,286	(86,175)	(471,266)	(156,726)	(62,995)
	\$8,911	\$38,900	\$110,603	\$135,988	\$95,233	\$65,735

Details of the Companies' NOLCO are as follows:

BOND					
Year Incurred	Year of Expiry	2011 Balance	Additions	(Expired)	2012 Balance
2010	2013	15,692,680	0	0	15,692,680
2011	2014	40,003,309	0	0	40,003,309
2012	2015	0	56,271,162	0	56,271,162
		55,695,989	56,271,162	0	111,967,151

BALANCED					
Year Incurred	Year of Expiry	2011 Balance	Additions	(Expired)	2012 Balance
2009	2012	152,537,147	0	(152,537,147)	0
2010	2013	178,227,285	0	0	178,227,285
2011	2014	187,755,657	0	0	187,755,657
2012	2015	0	245,127,333	0	245,127,333
		518,520,089	245,127,333	(152,537,147)	611,110,275

PHILIPPINE EQUITY					
Year Incurred	Year of Expiry	2011 Balance	Additions	(Expired)	2012 Balance
2009	2012	57,223,478	0	(57,223,478)	0
2010	2013	92,715,369	0	0	92,715,369
2011	2014	115,277,870	0	0	115,277,870
2012	2015	0	144,064,778	0	144,064,778
		265,216,717	144,064,778	(57,223,478)	352,058,017

MONEY MARKET					
Year Incurred	Year of Expiry	2011 Balance	Additions	(Expired)	2012 Balance
2009	2012	4,335,913	0	(4,335,913)	0
2010	2013	4,132,165	0	0	4,132,165
2011	2014	5,850,027	0	0	5,850,027
2012	2015	0	6,044,203	0	6,044,203
		14,318,105	6,044,203	(4,335,913)	16,026,395

GS					
Year Incurred	Year of Expiry	2011 Balance	Additions	(Expired)	2012 Balance
2009	2012	2,193,221	0	(2,193,221)	0
2010	2013	6,876,034	0	0	6,876,034
2011	2014	13,752,555	0	0	13,752,555
2012	2015	0	13,414,428	0	13,414,428
		22,821,810	13,414,428	(2,193,221)	34,043,017

Deferred income tax on NOLCO was not recognized because tax benefit is not likely to be realized in the future.

Substantial portion of the Companies' income is interest income arising from treasury notes and special savings accounts, which are already subjected to final withholding tax and therefore excluded in the computation of taxable income. Thus, with the exception of Bond, Balanced, Dollar Advantage and Dollar Abundance Funds, the Companies usually incur net taxable losses but are still liable to pay the minimum corporate income tax (MCIT) of 2% of gross income.

Details of MCIT are as follows:

BOND						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2010	681,244	0	0	0	681,244	2013
2011	715,688	0	0	0	715,688	2014
2012	934,492	0	0	0	934,492	2015
		2,331,424	0	0	2,331,424	

BALANCED						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2009	137,481	0	0	137,481	0	2012
2010	223,112	0	0	0	223,112	2013
2011	484,965	0	0	0	484,965	2014
2012	46,867	0	0	0	46,867	2015
	P892,425	0	0	(137,481)	P754,944	

PHILIPPINE EQUITY						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2010	35,228	0	0	0	35,228	2013
2011	226,555	0	0	0	226,555	2014
	261,783	0	0	0	261,783	

13. CONTINGENCY

In the opinion of the Management and its legal counsels, the Companies have no pending legal cases as of December 31, 2012 and 2011 that may have a material effect on the Companies' financial position and results of operation.

14. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NO. 15-2010 and 19-2011

The following information on taxes, duties and license fees paid or accrued during the taxable year is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements.

Revenue Regulations No. 15-2010

Documentary Stamp Tax

Documentary stamp taxes paid or accrued by the Companies during 2012 represents taxes paid relative to the issuance of stock certificates by the Company to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholder's investment for stock certificate issuances in excess of four (4) inter-fund transfers per calendar year.

DOCUMENTARY STAMP TAX	2012
Bond Fund	3,827,160
Balanced Fund	105,000
Philippine Equity Fund	30,965
Money Market Fund	1,263
GS Fund	1,882
Dollar Advantage Fund	194,042
Dollar Abundance Fund	30,435

Details of the Companies' other taxes and licenses and permit fees paid are as follows:

OTHER TAXES AND LICENSES	BOND	BALANCED	PHILIPPINE EQUITY
	2012	2012	2012
	PHP	PHP	PHP
Charged to Operating Expenses			
Business tax	P79,386	P246,359	P158,592
Residence or community tax	10,500	10,500	10,500
Permit fees	950	950	950
Others	6,264	6,264	6,264
	P97,100	P264,073	P176,306

OTHER TAXES AND LICENSES	MONEY MARKET	GS
	2012	2012
	PHP	PHP
Charged to Operating Expenses		
Business tax	P 16,441	P22,097
Residence or community tax	2,277	5,106
Permit fees	950	950
Others	328,895	6,264
	P348,563	P34,417

OTHER TAXES AND LICENSES	DOLLAR ADVANTAGE	DOLLAR ABUNDANCE
	2012	2012
	PHP	PHP
Charged to Operating Expenses		
Business tax	P22,000	P21,967
Residence or community tax	3,594	4,103
Permit fees	950	950
Others	6,307	6,306
	P32,851	P33,326

Withholding Taxes

The Companies' expanded withholding taxes paid or accrued during 2012 were mainly withholding taxes on the aggregate fees paid for the services rendered by SLAMCI.

	2012
Bond Fund	8,031,037
Balanced Fund	20,197,427
Philippine Equity Fund	12,679,831
Money Market Fund	424,683
GS Fund	971,436
Dollar Advantage Fund	1,778,608
Dollar Abundance Fund	1,224,350

Revenue Regulations No. 15-2010

Details of the Companies' other income earned are as follows:

OTHER INCOME	BALANCED	DOLLAR ADVANTAGE
	Regular Rate	Regular Rate
Interest Income	P2,187,300	P17,682,264
Other Income	156,025	22,430
	P2,343,325	P17,704,694

Details of the Companies itemized deductions incurred during the year are as follows:

	BOND	BALANCED	PHILIPPINE EQUITY
	Regular Rate	Regular Rate	Regular Rate
Professional Fees	249,267	172,390	100,173
Director's Fees	190,250	308,750	310,000
Management and Consultancy Fee	97,945,771	244,661,903	141,862,592
Office Supplies	56,477	56,477	65,286
Taxes and Licenses	3,924,260	369,073	207,271
Custodianship Fees	453,360	1,902,065	1,364,141
Miscellaneous	176,377	-	155,315
	P102,995,762	P247,470,658	P144,064,778

	MONEY MARKET	GS
	Regular Rate	Regular Rate
Professional Fees	75,712	71,052
Director's Fees	190,250	191,501
Management and Consultancy Fee	5,341,831	12,961,507
Office Supplies	81,677	104,357
Taxes and Licenses	349,826	36,299
Custodianship Fees	4,907	49,712
Miscellaneous	-	-
	P6,044,203	P13,414,428

	DOLLAR ADVANTAGE	DOLLAR ABUNDANCE
	Regular Rate	Regular Rate
Professional Fees	101,326	83,670
Director's Fees	191,993	191,499
Management and Consultancy Fee	21,186,985	14,579,595
Office Supplies	111,985	112,068
Taxes and Licenses	226,893	63,750
Custodianship Fees	45,971	96,305
Miscellaneous	-	74,369
	P21,052,058	P15,201,256

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Companies were reviewed and endorsed by the Audit and Compliance Committee for the approval of the Board of Directors on March 22, 2013. The Board of Directors approved the issuance of the financial statements on March 22, 2013.



RIZALINA G. MANTARING

- Chairman – Board of Directors
Sun Life Prosperity Funds
- Director
Sun Life Asset Management Company Inc.

Ms. Mantaring, 53, Filipino, is currently the Chairman of the Board of Directors of the Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc. (2009 to present), and Sun Life Prosperity Dynamic Fund, Inc. (2012-Present). She is also the Chairman of the Board of Directors of the Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation (“Grepalife Funds”) (2011 to present) and of Great Life Financial Assurance Corporation (2012-Present). She is also the President & CEO of Sun Life of Canada (Philippines), Inc. (“SLOCPI”), Sun Life Financial Plans, Inc. (“SLFPI”), Sun Life Financial Philippine Holding Company, Inc., and Sun Life Financial - Philippines Foundation, Inc. (2009 to present). From 2009 to 2012, Ms. Mantaring was the President and CEO of Sun Life Asset Management Company, Inc. (“SLAMCI”). She is also a member of the Boards of Directors of Sun Life Grepa Financial, Inc. (“SLGFI”) and Grepalife Asset Management Corporation (“GAMC”). Ms. Mantaring is a member of the Board of Directors of the Philippine Life Insurance Association, Inc. (2010 to present). Prior to the foregoing, Ms. Mantaring was Deputy President of the Sun Life Financial Philippines group of companies (2009) and Regional Chief Operations Officer of Sun Life Financial Asia (2008 to 2009). She also served as Chief Operating Officer of SLOCPI (1999 to 2008) and Information Systems Head, Asia Pacific Division of the Sun Life Assurance Company of Canada (1992 to 1999). Ms. Mantaring received her Bachelor of Science degree in Electrical Engineering (cum laude) from the University of the Philippines and Master of Science degree in Computer Science from the State University of New York at Albany. She is also a Fellow, Life Management Institute (with distinction) and Associate, Customer Service (with honors) of the Life Office Management Association (“LOMA”).

VALERIE N. PAMA

- President (effective January 1, 2013)
- Director (2011-Present)
Sun Life Asset Management Company, Inc.
- President (2011-2012)
Sun Life Prosperity Funds
- Director
Sun Life of Canada Prosperity Bond Fund, Inc.
Sun Life Prosperity Dollar Advantage Fund, Inc.
Sun Life Prosperity Dynamic Fund, Inc.
Sun Life Prosperity Dollar Abundance Fund, Inc.
Sun Life Prosperity GS Fund, Inc.
Sun Life Prosperity Money Market Fund, Inc.



Ms. Pama, 49, Filipino, is currently a Director of the Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc. (2011 to present), Sun Life Prosperity Dynamic Fund Inc. (2012-present) and the Grepalife Funds (2011 to present). She is also the President of SLAMCI since January 2013. Prior to her appointment as President, Ms. Pama was SLAMCI’s Chief Operating Officer from May 2011 to December 2012. Ms. Pama has been in the banking industry for 20 years. She started with Citibank N.A. in 1990 by joining the Bank Management Associate Program. There, Ms. Pama joined various segments of the business, assuming progressively more senior roles over the years. She had worked in treasury/capital markets, loans, equity sales, customer funding sales, brokerage, and money market sales. By the time she left Citibank in February 2009, Ms. Pama was the President of its brokerage business. Prior to joining Sun Life, Ms. Pama was a consultant for ING Bank in the Investment Management Group, where she was mainly involved in product development. She is a graduate of the Ateneo De Manila University with a Bachelor of Science degree in Management Engineering. She took further studies in Katholieke Universiteit Leuven in Belgium where she obtained her Master’s degree in Business Administration, Major in International Business and Finance and Minor in Business Economics.



MA. KARENINA M. CASAS

- President (effective January 1, 2013)
- Director (2009-Present)
Sun Life Prosperity Funds

Ms. Casas, 49, Filipino, is currently the President of the Sun Life Prosperity Funds, wherein she has been a Director since 2009. She is also the President of the Grepalife Fixed Income Fund Corporation, Grepalife Bond Fund Corporation, and the Grepalife Dollar Bond Fund Corporation (2011 to present). She is also a member of the Board of Trustees of Sun Life Financial – Philippines Foundation, Inc. (2009 to present). She is currently the Chief Administration Officer (2006 to present) of the Sun Life Financial Philippines group. She graduated with a Bachelor of Science degree in Psychology, and Master of the Arts Candidate in Child and Family Development from the Ateneo de Manila University. Ms. Casas also holds the designation of Professional, Customer Service (with honors) and Associate, Customer Service, from LOMA.

NILO B. PEÑA

- Director
Sun Life of Canada Prosperity Balanced Fund, Inc.
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

Atty. Peña, 76, Filipino, has actively and continuously engaged in the practice of law with the law firm Quasha Ancheta Peña & Nolasco (originally William H. Quasha & Associates), first as an underbar in 1960 and currently as a Senior Partner. He is a member of the Boards of Trustees of the St. Luke's Medical Center, Inc. (1996 to present) and St. Luke's College of Medicine (2004 to present). He became Chairman of the Good Governance Committee of St. Luke's Medical Center, Inc. in 2010. Atty. Peña serves as a director of SLMC Bonifacio Global City MAB Corp. (2005 to present). He also serves as Chairman of the Board of Trustees of the Standard Chartered Bank Employees' Retirement Fund (1992 to present) and as Corporate Secretary of QBE Insurance (Philippines), Inc. (1998 to present). He was also the Bar Examiner in Mercantile Law in the 1997 and 2006 Bar Examinations. Atty. Peña received his Associate of Arts degree, and Bachelor of Laws degree from the University of the Philippines.





JOSE M. FAUSTINO

- Director
Sun Life of Canada Prosperity Balanced Fund, Inc.
Sun Life Prosperity GS Fund, Inc.
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

Prof. Faustino, 74, Filipino, is an Independent Director of the Sun Life of Canada Prosperity Balanced Fund, Inc. (2009 to present), Sun Life Prosperity GS Fund, Inc. (2004 to present), and Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (2000 to present). Prof. Faustino is the retired Goodyear Professor of Business of the Asian Institute of Management (1980-2009). Presently, he is the Program Director of Marketing Strategy Course in the Asian Institute of Management. He also serves as a Visiting Professor to Leiden University, the Netherlands (2001 to present) and Universiti Kebangsaan, Malaysia (2009 to 2010). He is the recipient of the 1991 Agora Award for excellence in Marketing Education from the Philippine Marketing Association. Prof. Faustino holds a Master in Business Administration from the Harvard Business School, and a Master of Arts in Economics from Amherst College. He received his Bachelor of Arts degree (cum laude) from the Ateneo de Manila University. He also attended the Top Management Program of the Asian Institute of Management.

OSCAR M. ORBOS

- Director
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
Sun Life Prosperity Dollar Advantage Fund, Inc.
Sun Life Prosperity Dollar Abundance Fund, Inc.

Atty. Orbos, 62, Filipino, is an Independent Director of the Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (2002 to present), Sun Life Prosperity Dollar Advantage Fund, Inc. (2009 to present) and Sun Life Prosperity Dollar Abundance Fund, Inc. (2009 to present). Atty. Orbos has a distinguished public service career, which started with his election as Congressman (1987 to 1990 and 1992 to 1995) and then as Governor of the Province of Pangasinan (1995 to 1998). He also served as Secretary of the Department of Transportation and Communication (1990) and then as Executive Secretary (1990 to 1991) under the administration of President Corazon C. Aquino. Atty. Orbos also serves as Chairman of the Board of Alpha Insurance & Surety Co., Inc. (2000 to present) and as Partner at Orbos Cabusora & Taguam Law Office (1998 to present). He obtained his Bachelor of Science degree in Economics, and Bachelor of Laws degree from the University of the Philippines.





ALELI ANGELA G. QUIRINO

- Director
Sun Life of Canada Prosperity Balanced Fund, Inc.
Sun Life Prosperity Money Market Fund, Inc.
Sun Life of Canada Prosperity Bond Fund, Inc.
Sun Life Prosperity Dynamic Fund, Inc. (2012 to Present)

Atty. Quirino, 69, Filipino, is an Independent Director of Sun Life of Canada Prosperity Balanced Fund, Inc. (2009 to present), Sun Life Prosperity Money Market Fund, Inc. (2004 to present), Sun Life of Canada Prosperity Bond Fund, Inc. (2000 to present), and the Grepalife Funds (2011 to present). She is currently a Counsel of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA Law) (2010). She also serves as Director-Treasurer of SysNet Integrators, Inc. (2001 to present), EP2, Inc. (2003 to present), Ideawurx Inc. (2001 to present), Intellectual Property Foundation, Inc. (1998 to present), Vani-Txt, Inc and ELC Beauty and Inc./Estee Lauder (Phils.). She also serves as a Director and Corporate Secretary of Fila Philippines, Inc. (1993 to present), Anglo-Eastern Crew Management (Phils.), Inc. (1999 to present), Hazama Philippines, Inc. (1995 to present), LNC (SPV)-AMC Corp. (2005 to present), LNC 3 Asset Management, Inc. (2006 to present), Plaka Athena Holdings Corporation (2005 to present) and New Pacific Resources Management (SPV-AMC), Inc. (2007 to present). She is the Chairman of the Intellectual Property Association of the Philippines (2009 to present), President of the Ateneo Law Alumni Foundation, Inc. (2008 to present) and Trustee-Corporate Secretary of Assumption College, Inc. (1996 to present). Atty. Quirino received her Bachelor of Arts degree and Bachelor of Science degree in Education (magna cum laude) from Assumption College, and Bachelor of Laws degree (with honors) from the Ateneo de Manila University.

OSCAR S. REYES

- Director
Sun Life Prosperity Dollar Abundance Fund, Inc.
Sun Life Prosperity Dollar Advantage Fund, Inc.
Sun Life Prosperity GS Fund, Inc.
Sun Life Prosperity Money Market Fund, Inc.
Sun Life of Canada Prosperity Bond Fund, Inc.
Sun Life Prosperity Dynamic Fund, Inc. (2012 to Present)



Mr. Reyes, 67, Filipino, is an Independent Director of the Sun Life Prosperity Dollar Abundance Fund, Inc. (2004 to present), Sun Life Prosperity Dollar Advantage Fund, Inc. (2002 to present), Sun Life of Canada Prosperity GS Fund, Inc. (2011 to present), Sun Life Prosperity Money Market Fund, Inc. (2011 to present), Sun Life of Canada Prosperity Bond Fund, Inc. (2011 to present), SLFPI (2006 to present) and the Grepalife Funds (2011 to present). He is currently the President and Chief Executive Officer and member of the Board of Directors of Manila Electric Co. (2010 to present). Among his other positions are: Member of the Board of Directors of Philippine Long Distance Telephone Company, Advisory Board (2001 to present); SMART Communications Inc. (2006 to present); Mindoro Resources Ltd. (2002 to present); Republic Surety and Insurance, Inc. (2002 to present); and Calamba Aero Power Corporation (2011 to present). He is an independent director of the Bank of the Philippine Islands (2003 to present); Manila Water Company (2005 to present); Ayala Land, Inc. (2009 to present); Basic Energy Corporation (2007 to present); and Alcorn Gold Resources Corp. (2009 to present). He is presently the Chairman of MRL Gold Philippines, Inc. (2008 to present), Link Edge, Inc. (2002 to present), CIS Bayad Center, Inc. (2010 to present), Meralco Energy, Inc. (2010 to present), Meralco Industrial Engineering Services, Inc. (2010 to present), Pepsi Cola Products Philippines, Inc. (2012 to present). He is also the President of Meralco Powergen Corporation (2010 to present). Prior to these posts, he served the Shell Group of Companies in the Philippines in various capacities, including Country Chairman and concurrently President of Pilipinas Shell Petroleum Corporation, Shell Gas Philippines Inc., Shell Chemical Co. of the Philippines, and Managing Director of Shell Philippines Exploration B.V. (1997 to 2001). He finished his Bachelor of the Arts degree in Economics (cum Laude) at the Ateneo de Manila University in 1965, and undertook the Master's in Business Administration program at the Ateneo de Manila Graduate School of Business. He also took post-graduate studies at Waterloo Lutheran University and Harvard Business School, among other schools abroad.



JOAN P. GALANG

- Treasurer
Sun Life Prosperity Funds

Ms. Galang, 39, Filipino, is the Treasurer of the seven Sun Life Prosperity Funds (2011 to present). She has more than 12 years of experience from different industries. She has worked as the Banking, Insurance and Collection Officer, Del Monte, Philippines, Inc. (1996 to 1997); Management Accountant, DHL Worldwide Express Philippines Corp. (2001 to 2003); and Compliance and Control Reviewer, Citibank, N.A. (2005 to 2008). She was the Risk and Control Officer involved in the set-up of Risk and Control Framework for Deutsche Knowledge Services (DKS) (July to Dec 2011) prior to joining the Company. Ms. Galang graduated with Bachelor of Science degree in Accountancy from the De La Salle University and finished her Master's degree in Business Management at the Asian Institute of Management.

JEMILYN S. CAMANIA

- Corporate Secretary
Sun Life Prosperity Funds
Sun Life Asset Management Company, Inc.

Atty. Camania, 36, Filipino, is also the Corporate Secretary of SLOCPI (2010 to present), SLFPI (2010 to present), SLAMCI (2005 to present), Sun Life Financial Philippine Holding Company, Inc. (2012), Sun Life Financial - Philippines Foundation, Inc. (2012), the Sun Life Prosperity Funds (2005 to present), GAMC (2011 to present), Great Life Financial Assurance Corporation (2012), and the three Grepalife Mutual Funds (2011 to present). She also serves as Assistant Corporate Secretary of Sun Life Grepa Financial, Inc. (2012). She started at Sun Life as Assistant Counsel (2004) and is currently a Senior Counsel (2011 to present). Prior to joining Sun Life, she worked as an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices (2001 to 2004). Atty. Camania received her Bachelor of Arts in Psychology (1996) and Bachelor of Laws (2001) from the University of the Philippines. She was called to the Bar in 2002. She is also a Fellow, Life Management Institute (2010) and Professional, Customer Service (with honors) (2011) of LOMA.





LEA ROYALE B. KABANLIT

- Assistant Corporate Secretary
Sun Life Prosperity Funds
Sun Life Asset Management Company, Inc.

Atty. Kabanlit, 33, Filipino, is also the Assistant Corporate Secretary of SLOCPI, SLFPI, SLAMCI, Sun Life Financial Philippine Holding Company, Inc., Sun Life Financial - Philippines Foundation, Inc., the Sun Life Prosperity Funds, GAMC, Great Life Financial Assurance Corporation, and the three Grepalife Mutual Funds (2012 to present). Prior to joining Sun Life in May 2012, Atty. Kabanlit was Legal & Compliance Senior Manager at Manulife Philippines, where she worked from 2006 to 2012. Prior to Manulife, she was a Junior Associate at Pizarra & Associates (2005 to 2006). She obtained her Bachelor of the Arts degree in Political Science from the De La Salle University (1999), and Bachelor of Laws degree from the San Beda College of Law (2004). She was called to the Bar in 2005.

AMOR M. DATINGUINO

- Compliance Officer
Sun Life Prosperity Funds
Sun Life Asset Management Company, Inc.

Atty. Amor M. Datinguino, 43, Filipino, is the Compliance Officer of SLOCPI, SLFPI, SLAMCI, the Sun Life Prosperity Funds, Sun Life Grepa Financial, Inc., GAMC, Great Life Financial Assurance Corporation, and the three Grepalife Mutual Funds (all in 2012). Atty. Datinguino started as Assistant Counsel (1998) at Sun Life Financial Philippines and left as Counsel and Corporate Secretary of SLAMCI and the seven Sun Life Prosperity Funds (2005). Before joining Sun Life, she worked as an Associate at Carpio Villaraza & Cruz Law Offices (1996-1997) and Sebastian Dado Cruz & Batalla Law Offices (1997-1998). She was also the Head of Legal, Compliance and Operational Risk at AXA Philippines (2009 to 2011). She also worked as Regulatory Officer at the Philippines Dealing System Group (2007 to 2009). Atty. Datinguino obtained her Bachelor of Science degree in Economics (Dean's List) (1991) from the School of Economics, and her Bachelor of Laws degree (1996) from the College of Law, University of the Philippines. She placed 9th in the 1996 Bar Exams.





STEVE LORENZ

- Chairman – Board of Directors
Sun Life Asset Management Company, Inc.

Mr. Lorenz, 50, Canadian, is the Chairman of SLAMCI and is also the CEO of PVI-Sun Life. He has been with Sun Life Financial since 2002, currently as Vice President and Chief Financial Officer, Sun Life Financial Asia (July 2010 to present). He is also the Chairman of GAMC (2011 to present), SLFPI (2010 to present), and Sun Life Financial Philippine Holding Company, Inc. (2010 to present). He is also a Director of SLOCPI (2010 to present). He has served as AVP-Finance Integration (2002 to 2004), AVP-Risk Management (2004), AVP-Financial Controls (2004 to 2005), VP-Internal Audit (2005 to 2009), and most recently as VP-Finance Group Retirement Services (2009 to 2010). Prior to joining Sun Life, Mr. Lorenz was with Clarica (1991 to 2002) and Ernst & Young (1986 to 1991). Mr. Lorenz is a graduate of Brock University with a Bachelor of Science degree in Business Administration, and is a Chartered Accountant.

ERLINDA S. ECHANIS

- Director
Sun Life Asset Management Company, Inc.

Dr. Echanis, 66, Filipino, is an Independent Director of SLAMCI. Before that, she was an independent director of the Sun Life Prosperity GS Fund, Inc. (2004 to 2009) and Sun Life of Canada Prosperity Balanced Fund, Inc. (1999 to 2009). She also serves as an Independent Director of GAMC. She is a distinguished member of the academe, having served as Dean of the College of Business Administration, University of the Philippines. A Certified Public Accountant, she has been published locally and internationally on subjects such as the fundamentals of management, investment management, financial reporting, corporate finance and the Philippine stock market. She is also the President of Mayer Consultants, Inc. (1997 to present). Dr. Echanis received her Bachelor of Science degree in Business Administration, major in Accounting (cum laude), Master's degree in Business Administration, and Doctor of Business Administration from the University of the Philippines.





RAFAEL M. ALUNAN III

- Director
Sun Life Asset Management Company, Inc.

Mr. Alunan, 65, Filipino, is an Independent Director of SLAMCI. Prior to this, he was an independent director of Sun Life of Canada Prosperity Balanced Fund, Inc. (1999 to 2009) and Sun Life Prosperity Dollar Advantage Fund, Inc. (2009). He currently serves as independent director of SLOCPI (2004 to present), SLFPI (2006 to present) and GAMC (2011 to present). He also serves as Trustee of Kilosbayan (2001 to present). He is also an independent director of Pepsi Cola Products Philippines, Inc. (2007 to present) and University of St. La Salle (2010 to present). Mr. Alunan has a distinguished career in private and public service. He is the Governor and Trustee of Management Association of the Philippines (2011 to present), and a Director of Rafael Alunan Agro-Development Inc. (1995 to present). He has served in the cabinets of Presidents Fidel V. Ramos and Corazon C. Aquino as Secretary of Interior and Local Government (1992 to 1996) and Secretary of Tourism (1989 to 1992), respectively. He has also served as President of First Philippine Infrastructure Development Corporation (1999 to 2009), Maynilad Water Services, Inc. (1999 to 2004), Manila Hotel (1998 to 1999), General Reliance Corporation (1986 to 1989), ATIK Trading International Corporation (1999 to 2000), and Kybernan Group, Inc. (1998 to 2002). He is a Fellow of the Institute of Corporate Directors (2009 to present). Mr. Alunan received his Bachelor of Arts degree in History and Political Science, and Bachelor of Science degree in Business Administration from the De La Salle University, Master's degree in Business Administration from the Ateneo De Manila University, and Master's degree in Public Administration from Harvard University's John F. Kennedy School of Government.

NARESH KRISHNAN

- Director (until December 31, 2012)
Sun Life Asset Management Company, Inc.

Mr. Krishnan, 46, Indian, has served as a Director of SLAMCI (2010 to 2012). He is also the President and CEO of GAMC, Sun Life Grepa Financial, Inc. and Great Life Financial Assurance Corporation (2011 to present). Prior to joining Sun Life Financial, Mr. Krishnan has served as the President & CEO of Manulife China Bank Life Assurance Corporation, Philippines (2008 to 2009) and as President Director, Manulife Asset Management Indonesia (2000 to 2008). He has also held several senior management positions in asset management, wealth management and bancassurance. In one of these roles, he was responsible for growing an asset management company from USD 8 Million to USD 1.2 Billion in assets under management in less than 5 years. He was also responsible for driving the sales of wealth management products, including unit-linked sales, by agency distribution, and for growing their bancassurance business into one of the fastest growing businesses in the region. He brings more than 19 years of experience in the financial services industry. Mr. Krishnan holds a Bachelor of Science degree from Loyola College, Madras University and a Master's degree in Business Administration from Sri Sathua Sai Institute of Higher Learning, Prashantinilayam.





BENEDICTO C. SISON

- Treasurer & Chief Financial Officer
Sun Life Asset Management Company, Inc.

Mr. Sison, 52, Filipino and American, is the Chief Financial Officer and Treasurer of SLAMCI, SLOCPI, SLFPI, Sun Life Financial Philippine Holding Company, Inc., and Sun Life Financial Philippine Foundation, Inc. (2010 to present). He is also a director of Sun Life Financial Philippine Holding Company, Inc., Sun Life Financial Philippine Foundation, Inc., and Great Life Financial Assurance Corporation. Prior to joining Sun Life, Mr. Sison served as Finance Director - Asia Pacific of ConAgra International Foods Group (2006 to 2010). Mr. Sison graduated from the University of the Philippines with a Bachelor of Science degree in Business Administration (magna cum laude). He completed his Master's degree in Business Administration, major in Finance/Accounting from the Graduate School of Management, University of California Riverside. Mr. Sison is a member of the American Institute of Certified Public Accountants.

MA. GORETTI I. JIMENEZ

- Head of Agency Sales
Sun Life Asset Management Company, Inc.

Ms. Jimenez, 52, Filipino, is currently the Vice President and Head of Agency Sales for SLAMCI. Ms. Jimenez brings with her over 20 years of banking experience, starting with her first job in SGV and Co. where she was assigned to the Banking Group. Prior to joining SLAMCI in March 2005, Ms. Jimenez was in various positions in the Trust Department of Equitable PCI Bank (now Banco De Oro) handling corporate portfolio management and account administration, and eventually became Vice President and Head of the Personal Trust Division. She is a graduate of University of the East with Bachelor of Science degree in Business Administration and Accountancy (magna cum laude). She is a Certified Public Accountant, a Registered Financial Planner, and has finished the Trust Operations and Investment course of the Trust Institute Foundation of the Philippines.





GERALD L. BAUTISTA

- Head of Bank Channel
Sun Life Asset Management Company, Inc.

Mr. Bautista, 35, Filipino, is currently the Head of Bank Channel for SLAMCI. He joined the company in 2008 and has been instrumental for the growth and expansion of the bank channel business for Sun Life. Mr. Bautista has been in the mutual fund industry for more than a decade. Prior to joining the financial sector, he had a short stint with the government under the Foreign Service Institute, Dept. of Foreign Affairs as a Research Analyst. Thereafter, he joined the industry as a Business Development Officer and subsequently handled Institutional Sales for Philam Asset Management, Inc. Mr. Bautista moved to the banking industry with Standard Chartered Bank, handling Trust Marketing functions and was promoted as Product Manager handling various financial instruments, such as mutual funds, structured notes, time deposits and bancassurance products. He is a graduate of De La Salle University, Manila with a Bachelor of Arts degree in Political Science. He took his higher education at Oxford Brookes University Business School in Oxford, United Kingdom where he obtained a Master's degree in Business Administration focusing on Global Marketing Strategy.

MA. CHARINA M. FUENTES

- Head of Strategic Development and Training
Sun Life Asset Management Company, Inc.



Ms. Fuentes, 35, Filipino, is currently the Head of Strategic Development and Training for SLAMCI. Prior to joining SLAMCI in 2012, Ms. Fuentes spent more than 10 years in the banking industry in a variety of functions, the latest of which was with Rizal Commercial Banking Corporation (RCBC) as Vice President and Head of Corporate Sales for its Treasury Group. Before moving to RCBC in 2009, she was with the Manila Branch of the Australia and New Zealand Banking Group Ltd. (ANZ) as Vice President and Senior Corporate Sales Dealer. Ms. Fuentes started her banking career with the Treasury Group of Citibank N.A.'s Manila Branch in 1999 as a Brokered Products Trader, and steadily progressed to Assistant Vice President and Short Term Interest Rates Trader by 2006. She also had professional attachments with the Treasury Group of ING N.V. Manila in 1997, and the Fixed Income Structured Products Unit of Citibank N.A. London in 2007. She is likewise a Certified Treasury Professional designated by the Bankers Association of the Philippines (BAP), and a Fixed Income Salesperson licensed by the Securities and Exchange Commission (SEC). She was also a regular lecturer at the Ateneo de Manila University John Gokongwei School of Management. Ms. Fuentes completed her Bachelor of Science degree in Management Engineering from the Ateneo de Manila University in 1998. She obtained her Master of Science degree in International Securities, Investments and Banking (With Distinction) in 2007 from the University of Reading's ICMA Centre in the United Kingdom through the British Chevening Scholarship Programme.

FUND MANAGERS OF THE SUN LIFE PROSPERITY FUNDS



MICHAEL GERARD D. ENRIQUEZ

- Chief Investment Officer
Sun Life of Canada (Philippines), Inc.

Mr. Enriquez, 39, Filipino, is the Chief Investment Officer of Sun Life of Canada (Philippines), Inc. (SLOCPI). As CIO, he is primarily accountable for the formulation and implementation of portfolio strategies for the life insurance and variable universal life (VUL) managed under SLOCPI and SLGFI, as well as the various mutual funds of SLAMCI and GAMC. Moreover, he is tasked to continually enhance the capability of the investments organization to support the growing needs of the business and prepare the team for new initiatives in line with our quest of maintaining our leading position in the industry. He is a member of the Philippine Leadership Team (PLT) and he brings to the job over 15 years of solid and distinguished portfolio management experience gained from stints in various investment and financial services companies, namely, Citicorp Financial Services and Insurance Brokerage (CFSI), Philequity Management Inc., and ING Investment Management Inc. He was the Equities Portfolio Manager – Vice President of BPI Asset Management prior to joining Sun Life. Mr. Enriquez graduated from the Ateneo de Manila University with a Bachelor of Science degree in Management.

EXEQUIEL J. MARAÑO JR.

- Head of Fixed Income, Investments Department
Sun Life of Canada (Philippines), Inc.

Mr. Maraño, 54, Filipino, is the Head of Fixed Income of SLOCPI's Investments Department. He also manages the Sun Life Prosperity Bond Fund, Sun Life Prosperity GS Fund, Sun Life Prosperity Money Market Fund, and the Sun Life Prosperity Dollar Abundance Fund of SLAMCI. His experience in the asset management industry spans over 20 years handling fixed income funds. He was also named by The Asset Magazine as one of The Most Astute Investors in local currency bonds across 8 Asian markets in 2004, 2008, 2009, 2010 and 2012. Mr. Maraño graduated from the De La Salle University Bacolod with a Bachelor of Science degree in Accounting and Master's degree in Business Management from the Asian Institute of Management.





MOISES C. ESGUERRA III

- Head of Portfolio Management, Investments Department
Sun Life of Canada (Philippines), Inc.

Mr. Esguerra, 40, Filipino, is the Head of the Portfolio Management of SLOCPI's Investments Department and is part of the team that directly oversees Philippine investments. Prior to his position as head of Portfolio Management, he was a fund manager for the SLOCPI and SLAMCI funds. He has over 7 years of experience in fund management and 7 years of experience as a research analyst in various foreign brokerage houses. Mr. Esguerra graduated from the Ateneo De Manila University with a Bachelor of Science degree in Management-Honors.

GERARD MARTIN F. ABAD

- Head of Equities, Investments Department
Sun Life of Canada (Philippines), Inc.

Mr. Abad, 45, Filipino, joined Sun Life in February 2013 and presently handles all equity-related investment decisions for the group. He was formerly a senior investment officer at Banco de Oro's Trust and Investments Group and a manager for the Investments and Research Group of PNB Investments Limited, the country adviser of The First Philippine Fund, Inc., a closed-end management investment company which commenced operations in November 1989 and was listed at the New York Stock Exchange. His work experience includes stints at AGJ Securities and Private Development Corporation of the Philippines. He has more than 20 years of securities analysis and portfolio management experience. Mr. Abad holds a Bachelor of Science degree major in Business Management from the Ateneo de Manila University. He was a past Director of the Fund Managers Association of the Philippines.

